

2011 SENATE EDUCATION

SB 2150

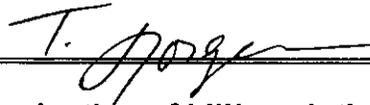
# 2011 SENATE STANDING COMMITTEE MINUTES

Senate Education Committee  
Missouri River Room, State Capitol

SB 2150  
January 25, 2011  
13341

Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

Relating to regional education assoc., the professional development advisory committee, ND scholarships, supplemental teacher-effectiveness compensation plans; technology, curriculum requirements, assessments, scholarships, student consultations, state aid; isolated schools.

## Minutes:

See attachments

**Chairman Senator Freborg** opened the hearing on SB 2150; fiscal note attached. An agenda of speakers has been set (Attachment #1), and then further testimony on the bill will follow.

**Senator Flakoll, District 44**, introduced SB 2150; handed out a bill summary (Attachment #1A and Testimony #1B) each person on the agenda will have a specific section they will talk about concerning the bill. Senator Flakoll reviewed the lawsuit/history that led to the formula; completion of funding adequacy to date, and scholarship funding.

**Representative Hawkins, District 46**, discussed the Early Childhood portion of the legislation—Gearing Up for Kindergarten, Child Development Associate degree program for child care providers, etc.

**Representative Delmore, District 43**, discussed the Teacher Mentor Program and Principal Mentor Program. No more than 5% of the money allocated can be used for administrative purposes. Mentoring is an extremely valuable tool and should ensure we keep the best and brightest teachers in North Dakota.

**Representative Kelsch, District 34, member of the Governor's Commission on Education Improvement since its inception; and in support of SB 2150.** The commission coupled with the strong support of the legislature and Governor's office have delivered equity to our educational funding formula, demanded more rigor and quality in the classroom, created support mechanisms for our teachers, and scholarships for our North Dakota students that has resulted in record numbers of students enrolled at all of our institutions of higher education. Discussed two key areas: the positive effects of the scholarship as it relates to the need to expand and improve the Center for Distance

Education by taking on-line courses to meet additional graduation requirements, and the ACT writing component given to all juniors; the state pays for that portion.

**Senator Holmberg, District 17**, spoke about Sections 23-29 on the Teacher-Effectiveness Compensation Plan. (Attachment #2) He served 11 years on the National Education Association (NEA) Legislative committee that made recommendations to the NEA about federal legislation dealing with teaching. There is a change in the notion that teachers should be paid by years of service and educational level; the idea of allowing school districts to reward teachers for achievement, teacher shortage areas, etc.

**Senator O'Connell, District 6**, covered Section 36 of the bill relating to transportation and compensation for travel. Has served on the Governor's Commission on Education for the last 6 years; everyone had input—DPI, school boards, teachers, very small to very large groups.

**Governor Dalrymple, Chairman of the Governor's Commission on Education** gave a summary of the entire bill. (Testimony #3). He handed out the final commission report (12/30/2010) from the North Dakota Commission on Education Improvement (handout #4).

**Dr. Wayne Sanstead, Superintendent of Schools**, (Testimony #5) discussed the sections regarding the Professional Development Advisory Council (Section 5) and the increase coming in per student payments to school districts in the next biennium (Section 19).

Over 93% of state aid goes directly to the school districts. The main driver is the per student payment to the district; it was over \$94.3 million in the last biennium. DPI supports all of SB 2150.

**Doug Johnson, Executive Director of the North Dakota Council of Educational Leaders** (Testimony #6) testified regarding the reorganization of the Center for Distance Education and PowerSchool in every school by 2013 paid by the state.

**Jon Martinson, North Dakota School Board Association** discussed the Regional Education Associations (REA) and pointed out that changes recommended have already been included in the eight REA's strategic plans.

**Greg Burns, Executive Director, North Dakota Education Association** testified in favor of SB 2150 (Testimony #7). The association favors a new way to compensate teachers as outlined by Sections 23-29.

**Rick Buresh, Superintendent of Fargo Public Schools** testified (Testimony #8) in favor of SB 2150 and outlined the scholarship and discussed the increase in AP course demand and enrollment.

**Jeff Lind, Superintendent of Rugby Public Schools** testified in support of SB 2150. He discussed that 70% of new money for student payment is to be used for teacher compensation.

**Janet Welk, Executive Director, Education Standards and Practices Board** testified in support of SB 2150 (Testimony #9 and Handouts #10 Teacher Mentoring Manual, #11 North Dakota Teacher Support System Mentoring Program Interim Brief, #12 North Dakota Instructional Coaches Academy booklets (3) and #13 North Dakota Coaches Academy: Fall 2010 Survey Results).

**Governor Dalrymple** returned for questions from the committee.

**Senator Flakoll:** Thanked the Governor for coming back to answer questions as Chair of the Interim Education Committee. Was there any discussion within the commission about the state paying the full cost of AP courses? **Governor Dalrymple:** No, don't recall a lot of discussion about that. Was interest in encouraging more AP courses and participation. Felt the requirement of AP or dual credit exposure for the scholarships was something of an incentive. Don't recall a lot of talk about cost as a factor.

**Senator Flakoll:** page 27, lines 3 & 4; there is a reference to the newly formed committee being a public entity. Is that essentially for open records, or do they have other ability to do anything else? What is the intent there? **Governor Dalrymple:** The drafter recommended that it be written that way; any public policy group should be a public entity subject to open records and open meetings requirements. No discussion for additional powers.

**Senator Flakoll:** Would you expand in detail on the Early Childhood program through the extension; how does that work, how many weeks, etc.? **Governor Dalrymple:** Gearing up for Kindergarten is an existing program through the NDSU Extension service. It takes place in various places in the state. Think there is some misunderstanding—not Pre-K, the program is not to educate a four year old. The parent and the four year old come to a meeting after work hours, usually met by a certified kindergarten teacher (not a requirement). The program is designed for the parent to work with the child at home to be better prepared for kindergarten. Have found a remarkable level of participation; most that start have completed the entire program. They meet every week and follow through with the program to the end. Surmise that parents find it a valuable program and it makes them aware of how important the home environment is to be successful in kindergarten. Would like to see it available statewide, but are constrained by funding.

**Senator Flakoll:** Is it designed so that the parent is there with the child? **Governor Dalrymple:** That is the way the program works. There is nothing in statute that requires it. The program exists in the extension service, not really the education department. May want to consider putting some parameters on it if considered a permanent statewide program.

**Senator Gary Lee:** Section 2 speaks of the Early Childhood Education authorization in your summary—is that a fit you are trying to make with that extension program or is that something different? **Governor Dalrymple:** Back at the beginning point—Pre-K was proposed in the last session, and it was not supported by the legislature. The commission took that to be the reality of this situation; this legislature is not ready to put state funds behind four year old education. The commission looked at other things that are out there that can be done to support more education of some kind at the four year old level. Gearing up for Kindergarten is not education; it is preparation for it—felt the value of the

program. Helping people that work in day care or preschool to get a Child Development associate credential is a positive step forward. The commission wanted to do a couple of things to help people get familiar with what's happening at the four year old level. The commission chose not to back to the question of Pre-K. Section 2 – no great initiative intended there and hope people don't interpret it that way. Just trying to clarify that with local revenue not needed for K-12 may be used for Pre-K.

**Senator Heckaman:** Questions on Teacher Effectiveness Compensation; Do you have data from schools in the state that they are ready to begin applying for that, or what kind of timeline do you expect? How many schools could be accepted into the program?

**Governor Dalrymple:** Very difficult to forecast an initial cost on a new program. They did discuss at some length and wound up with 50,000 related student units becoming eligible for the money in year one. Approximately  $\frac{1}{2}$  of all students in North Dakota. Just a ballpark guess in terms of the amount of interest. The .06 factor works out to approximately \$200. They have no way of knowing what kind of response; thinks if funds are that adequate the review panel will have the latitude and authority to determine how to remedy that situation. To have a first come, first serve system or see how many apply and allocate pro rata.

**Senator Heckaman:** Right now any school can submit any form of plan they want? What research brought this to the Commission—are there more specific kinds of programs that you feel the panel would support or just allow the districts to design their own?

**Governor Dalrymple:** They would like to see the review panel develop guidelines and advice to school districts that would be available prior to their beginning work for the local plan. There is information from other states; there are a lot of possibilities. Mentioned in the bill are five areas that they feel are very promising as manageable and understandable areas of providing additional compensation without a lot of subjective review of individual teachers. Offer guidance, but allow local discretion. Ultimately the review panel will have to decide whether it is an acceptable plan or not.

**Senator Heckaman:** Since the biennium is two years, and pretty short with the planning committee working, do you think this is even possible to get implemented in a school district this biennium?

**Governor Dalrymple:** Commission felt that by a year from April 2011 many school districts would be able to bring forward a plan. Keeping in mind it is a voluntary program; if not ready for year one does not mean they can't come in the following year. Have heard this would be a tight timetable.

**Senator Heckaman:** What happens to the funding if we don't get to that point? Does the \$7.5 million go into the foundation aid formula—what happens to that if it isn't used?

**Governor Dalrymple:** The commission would like to make it very clear that the \$7.5 million recommendation is for supplemental teacher compensation; without that program they would not recommend that funding go anywhere else. If it is not implemented or delayed they would recommend the money be saved.

**Senator Luick:** In any other plans you've looked at, is there any compensation for retroactive activity or does it start at day one or first initiated or any leniency for anything like that?

**Governor Dalrymple:** Goal would be to be an incentive for improved qualifications, improved performance over time—into the future. Nothing would be

considered out of bounds initially; if they want to recognize a teacher has more value because they can teach, say Math, it would not be considered out of bounds. Ideal system would be to reward further progress. Would depend on the local committee decision.

**Senator Marcellais:** Section 35—Principal Mentorship Grants; testimony stated that it would be through a contract basis; once the RFP's put out the request for a proposal, who would monitor those grants—DPI or commission? **Governor Dalrymple:** Thinks any contract program would require some oversight. The commission did not prescribe anything specific. The process would be done according to state procurement rules, and may have a choice of OMB or DPI could manage the bidding and awarding the contract. Should not be difficult, just a question of whether a mentorship program was completed and the contract organization would have to maintain records and evidence that the mentoring took place, and the necessary time was committed.

**Senator Marcellais:** Line 19 mentions if sufficient money is available, the program will be expended to provide services to individuals beyond the first year. Do you know where they will get the additional funding? **Governor Dalrymple:** \$461,500 estimated cost; hopefully will be appropriated. The last sentence is designed to allow flexibility if funds exist for second year individuals. They can benefit greatly and if resources are available the commission felt it would be wise to allow possibility of second year principal being involved.

**Senator Flakoll:** Is there a provision in the bill for roll up dollars that aren't used for per student payments to be rolled to the bottom and sent out so they aren't returned to the general fund? **Governor Dalrymple:** No, nothing that addresses surplus funds; not in SB 2013 (budget bill) to his knowledge.

**Senator Flakoll:** Do you know how much the equity will cost this session—in terms of making sure everyone is at 90% of the statewide average? **Governor Dalrymple:** Jerry Coleman has those figures and can supply them. Finding the cost of the equity program is becoming somewhat steady. The degree of equity changes, but the total cost seems to be fairly steady.

**Senator Flakoll:** Increase in special education contracts—something like ½ million dollars? Have the two backstops been removed? Lending authority for Bank of North Dakota to make sure payments are met. **Governor Dalrymple:** You may have uncovered an issue there; thinks those backup provisions were in session law and doesn't believe they were reestablished in 2013. Thinks the commission would continue to feel that there should be an identified backup source of funding for special education.

**Senator Heckaman:** On the fiscal note, says school aid line item \$94.3 million and the second items is a minus \$2.4 million for formula revisions. Can you tell me what the districts will be losing on that formula revision? Is it increased someplace else in the bill? **Governor Dalrymple:** The \$2.4 million is (believes) the savings from rolling up the technology factor. What it doesn't show is the additional spending on the plus side; net of everything the fiscal to commitment to PowerSchool would be level with current biennium.

**Senator Marcellais:** Some schools are struggling to meet Annual Yearly Progress; is there AYP assistance in the bill? **Governor Dalrymple:** This bill does not specifically

target to meeting AYP. All of the things this committee has done over the last five years to provide more equity and adequacy in school funding, and focus on a stronger core curriculum—all of those things go toward being more successful in the assessments for AYP. Taken in total a number of significant things have been done.

**Senator Flakoll:** Might the weighting factor for at risk students and/or the ELL help address Senator Marcellais' concern in terms of focusing on those students that really have the greatest obstacles to overcome? **Governor Dalrymple:** Yes, absolutely. Among the many things that have been done, the additional funds to recognize the added cost to educating at risk students, of English language learners (ELL), a long list of things have been done in the last few years. The schools that are so-called "failing", it is really clear that it's not a matter of dollars per student. Some the failing schools are among the best funded schools in North Dakota. We know there is more to the education challenge than dollars per student. Courts feel that is the only measure they understand and we have to live up to their expectations. Still have a lot of work to do in terms of understanding why some schools can spend a lot of money and still not do well.

**Senator Gary Lee:** The scholarship portion seems to occupy a couple of sections and certainly has a high priority in the bill. The funding source chosen is the Land and Minerals Trust fund, and there are other options out there being considered into where that money should come from. Why is the Land and Minerals Trust a better source recommended here versus the Oil Extraction Tax dollars? **Governor Dalrymple:** There are a number of choices for funding the program. Need a source well endowed and reliable over time, and a source where the transfer of the money to the program is relatively simple—can be done by statute. The Land and Minerals Trust Fund was never envisioned to have the kind of income distribution that it is going to have this year and in years to come. There is a relationship there all the way back to the School Lands—were obtained as the school grant quarters became the basis for K-12 education in North Dakota. Most of their assets have been converted from land into financial assets; they thought it was still in keeping with the original intent of the trust fund.

No further questions or discussion; hearing closed and stand at ease until the call of Chair.

# 2011 SENATE STANDING COMMITTEE MINUTES

Senate Education Committee  
Missouri River Room, State Capitol

Committee Work on SB 2150  
January 31, 2011  
13735

Conference Committee

Committee Clerk Signature 

## Minutes:

See Attached Amendments

**Senator Flakoll** moved Do Pass to Amendment 11.0208.05010 (#1 attachment) to SB 2150; this amendment would allow the participating school district to designate someone if the person previously designated cannot attend. Seconded by **Senator Luick**; motion carried 7-0-0 (Vote 1-A).

**Senator Flakoll** moved Do Pass to Amendment 11.0208.05006 (#2 attachment) to SB 2150; second by **Senator Luick**. Student enrollment estimates are normally higher than the actual number; the excess money would go back to the state's general fund. This amendment deals with that Contingency Money and allows any excess appropriated funds to go back to school districts on a prorated basis according to ADM. **Senator Gary Lee**: When would the school districts know if the money is available? **Senator Flakoll**: It's hard to know; some time after June 2013 when fully authorized. Standard language that has been adopted for at least six sessions. **Senator Gary Lee**: School districts have already budgeted for the year; how would they use the money? **Senator Flakoll**: It could roll into the school district general fund. It comes later so hard to designate as part of the 70% to go to teacher compensation as negotiations should be completed. Motion carried 6-1-0 (Vote 1-B).

**Senator Flakoll** moved Do Pass to Amendment 11.0208.05011 (#3 attachment) page 11, line 14 to include American sign language be allowed to meet scholarship requirements; second by **Senator Gary Lee**. Motion carried 7-0-0 (Vote 1-C).

**Chairman Senator Freborg** requested that the entire bill be reviewed section by section to see which parts everyone is in agreement with, and which sections may need amendments.

**Section 1: Power School Funding & Waiver**—okay as written (at this time).

**Senator Heckaman**: page 2, part 4, is that only in reference to Bureau of Indian Education schools? **Senator Freborg**: Assume that is correct.

**Section 2: Early Childhood Education Authorization; Section 3: Regional Education Association/Joint Powers Agreement Criteria—Board Membership; Section 4: Regional Education Association—services offered; and Section 5: Professional Development Advisory Committee** all will have amendments coming.



**Section 6: Teacher Support (Mentoring) Program; Section 7: Teacher Mentoring Program—services to be offered; Section 8: Teacher Mentoring Program—Service Recipient** all are okay as written (at this time).

**Senator Luick:** questioned whether passing the new bill on preschool will have any effects on these sections? **Senator Freborg:** shouldn't have an effect, but can revisit this if necessary.

**Section 9: High School Graduation Diploma Minimum Requirements** okay as written (at this time).

**Senator Gary Lee:** Is there a difference between the old and new language? Is this allowing the district to require more than 22 credits? **Senator Flakoll:** That was a mistake in HB 1400 last session; some confusion from the school districts that resulted in the Attorney General having to give an opinion. Just need to clarify from that issue that the school districts can require more than 22 credits to graduate. **Senator Heckaman:** What about alternative high schools? They have different requirements than a regular high school setting. **Senator Flakoll:** This does not modify the requirements for alternative school credits. That policy still exists as before.

**Section 10: High School Graduation Minimum Requirements** okay as written (at this time).

**Senator Heckaman:** Wanted to note that a current bill on Social Studies may change some parts of this section. Otherwise, it is okay as written.

**Section 11: Career and Technical Education Scholarship** okay as written (at this time).

**Senator Flakoll:** Just wanted to note that one of the previous amendments was to this section. (Add American Sign Language)

**Senator Gary Lee:** Subsection 4c. offers a broader definition of Social Studies as compared to Section 10? Sorry—found it is correct.

**Section 12: Academic Scholarship; Section 13: Scholarship Amount; Section 14: Scholarship Appropriation** have amendments coming.

**Section 15: Reading, Math and Science Test** okay as written (at this time).

**Senator Gary Lee:** Trying to understand the intent here; was it an option before in each of those grades and now we're requiring it? **Chairman Freborg:** Seems to be just changing the date at the beginning of the section; grades tested are 3-4-5-6-7-8-11. **Senator Gary Lee:** Is it done annually in these grades in all public schools? **Senator Flakoll:** The current policy was adopted in 2007-2008 to include the grades as listed; this is just crossing off the bridge language prior to 2007. **Senator Gary Lee:** Does this increase the amount of testing that we are doing then compared to what had been? **Senator Flakoll:** No, doesn't change what is being done today. **Doug Johnson, Executive Director, North Dakota Council of Educational Leaders:** Basically just striking out the second sentence; the word "annually" is kept in place. The other was language prior to this bill; this is putting into place current practice. **Senator Gary Lee:** Does it change the number of students and who the districts must test? **Doug Johnson:** That was already done in previous legislation; 2009 was the first year that those grades had to be tested. **Senator Flakoll:** It doesn't change current practice of testing. Just rewriting to get rid of old language.

**Section 16: Career Interest Planning** amendments will be coming.

**Section 17: ACT** okay as written (at this time).

**Section 18: Weighted ADM** okay as written (at this time).

**Senator Heckaman:** What is the difference between lines 17-20 on page 19, and lines 4-7 on page 20? One is .07 and one is .20; does it have to do with a category someplace?

**Senator Flakoll:** The definition of ELL changes every session; there are currently three levels of need funded. Specifically based on categories as defined in ELL laws.

**Senator Luick:** Why the changes in page 19, lines 24-31? **Senator Flakoll:** It was changed to provide a better definition for small isolated school districts. Before were paying phantom students; done to make sure the dollars follow the student. There is a hold harmless provision for those school districts that are affected. The commission had representation from several small school districts and they felt this was a better way to calculate. The change affected three school districts and a further section makes allowances for them to adjust over the next three years. **Senator Luick:** This concerns him and he would like to talk to constituents before making a determination. **Doug Johnson:** There was a formula committee set up and two members were from small school districts; they were in favor of this change. Needed a better formula for the schools that are truly isolated. Did increase the number of districts that would be impacted by (thinks) seven districts. Three districts are affected and there are provisions in the bill to allow them to adjust over three or five year period. **Senator Luick:** What types of adjustments are they? **Doug Johnson:** It depends on the school district, its funding issues they might look at the amount of moneys they might be decreased because they don't get funded at the higher rate. It is an additional .2 of a percent in ADM payment. **Senator Flakoll:** Correction--the weighting factor is .1. **Senator Luick:** What size are the three districts affected? **Doug Johnson:** those districts didn't meet the minimum provision of 275 square miles. Not size of population. **Senator Gary Lee:** page 20, line 9--why is that language included in this section? **Doug Johnson:** It is part of the funding formula; school districts that participate in the new teacher compensation program could add that to their funding formula for payment. **Senator Gary Lee:** We are funding somewhere near \$7 million in a pilot program for that program; but then if using it they also get additional funds—is that what it says? **Doug Johnson:** If the school districts apply for and are accepted to be a part of that program, would add to their ADM weighting factor of .06 to get access to those dollars. Any money that is not expended at the close of that program would be turned back to the general fund. **Senator Gary Lee:** That is how the \$7 million would be paid out on an ADM basis using that factor? **Doug Johnson:** Yes, anticipate 30-50,000 ADM to be paid for this. Goes back to General Fund not Foundation Aid formula.

**Senator Gary Lee:** Page 20, line 17—adds that factor for PowerSchool; isn't that something they all have to do and why are we paying them additional funds? **Doug Johnson:** In 2009 the legislature mandated that we have a uniform student data collection system so that data could be put into a student longitudinal data system. To do that mandated that all school districts add PowerSchool and the state will pay the cost. This just continues that funding at this time. **Senator Flakoll:** Does this make it easier to do a carve out of that .006 dollars because they aren't instructional dollars and not subject to the 70% language? **Doug Johnson:** This would be a direct payment to EduTech to pay for PowerSchool. The school districts are charged that amount, but they never see the money so is a direct payment for the service. **Senator Gary Lee:** Is this factor expected to go

away at some point or is it ongoing costs? **Doug Johnson:** This would stay permanent; this is going to be the continued operation of the PowerSchool for the state longitudinal data collection of K-12 information. **Senator Gary Lee:** It is a system the schools are expected to pay for and not the state in terms of DPI appropriations? Is there an appropriation for DPI in this as well? **Doug Johnson:** There is not appropriations for the Department of Public Instruction; just flow through dollars that happens. It is because they have mandated to all use the same system so there is consistency and this is how we can do that. School districts are charged—it is part of the funding formula, technically when they look at the dollars they receive for per pupil payment, this is part of the calculation. The money is directly paid to EduTech to fund all of the cost of providing PowerSchool.

(Recess for lunch and floor session)

**Connie Mittleider, Assistant Director for ACT and Scholarship programs** appeared to explain page 13, (near the bottom) subsection 10, line 25. Oversee all of the statewide ACT & WorkKeys testing and administer the scholarship program. Current law established by the 2009 legislature was somewhat unclear when it spoke about the students achieving the academic scholarship and meeting the requirement of an AP class and exam or a dual credit course. Question from the committee was if the AP class has to be a full unit, does the dual credit class have to be a full unit of credit. Made a decision, and the policy that they have followed for 1.5 years has been that the AP unit has to be a full year and the dual credit unit may be ½ unit. The advance placement courses are taught in the high school by a high school teacher; they are mandated by the national college board with a set curriculum. 97% are full year courses and student earns 1 CU; a few are semester in length. Committee decision that since most are full year and earn one credit that it would satisfy the requirement of the law. Some dual credit classes are taught in the high school by a high school teacher that works for the college, so to speak. In that case the student enrolls in the high school course, they also register for the college credit. The cost is the semester tuition for the college (approx. \$350 right now). The student is in the class for the semester and earns ½ unit of high school credit. If they take the course from a college campus, they earn 3 college credits and ½ unit of high school credit. Committee decided based on cost, etc. that ½ unit of dual credit would be appropriate. **Senator Flakoll:** He quickly gave her the .05005 amendment; does that solve this issue? **Connie Mittleider:** Just looked at the amendment; that verbiage definitely capture the intent.

**Senator Luick:** Why is there a stipulation of only ½ unit credit at high school level at all? **Connie Mittleider:** In a traditional high school the year long course is two semesters. The student earns a ½ unit of credit for each semester so at the end of the year they would have a full unit of credit. That would apply to the AP courses. For the dual credit class, because it is a college course for which the student gets high school and college credit, it really is predicated on the college credit. Most semester courses at the college are three-four college semester hours long; that equates to a ½ unit of high school credit. The content of a one year high school course is usually equivalent to what a student would get in a semester college course. Content wise it does equate.

**Continue with review--Section 19: Per Student Payment Rate** will be amended.

**Section 20: Baseline Funding—Determination—Minimum and Maximum Allowable Increases and Section 21: Equity Payments** okay as written (at this time).

**Section 22: Payments to School Districts—Unobligated General Fund Balance** may have to look at this in April when the federal government finishes in regards to Education Jobs Fund.

**Section 23: Supplemental Teacher Effectiveness Compensation Plan; Section 24: Supplemental Teacher Effectiveness Compensation Plan—Development Committee—Membership; Section 25: Supplemental Teacher Effectiveness Compensation Plan—Required Content; Section 26: Supplemental Teacher Effectiveness Compensation Plan—Review Panel** all will be amended.

**Senator Schaible:** Section 23; how will it be implemented? Very undefined and unclear in the bill.

**Jon Martinson, North Dakota School Board Association** helped draft this part of the legislation and appeared to explain the concept and answer questions. The purpose of the overall supplemental teacher compensation plan is to provide a different means of compensating teachers—different from the traditional salary schedule. A number of sections in SB 2150 relate to this issue; talk about the opportunity the school district would have (voluntary) to have representative teaching unit negotiate with the school board members to opt for this alternate teacher compensation plan.

**Senator Schaible:** If a district is having trouble filling a spot, say Advanced Science, this would allow them to go off the schedule with the negotiation? **Jon Martinson:** It's much bigger and more comprehensive than that. One of the criteria would be that the plan would be for those areas that are difficult to fill. There are others features—not just targeted for that purpose. **Senator Schaible:** That was his initial question—it is so vast and undefined that creative district or group could come up with a plan for almost any situation to get additional money. **Jon Martinson:** There are four requirements a district has to meet in order to qualify for the plan. At this point there are some undefined features because the drafters did not want a single plan that is rolled out to school districts and say take it or leave it. Want to have some flexibility so the districts could have some local control as they attempt this alternate pay plan. There is a reason for it to not be real specific, but there is some criteria they have to meet and the plan must be submitted and pass through the review panel (as listed in Section 26). The panel would review the plan and would either support it or deny it—with recommendations and allowing them to resubmit the plan. **Senator Schaible:** It is so vast, hard to understand how it will be implemented. **Chairman Freborg:** When the review panel denies a plan, do they make a recommendation? **Jon Martinson:** Yes, they would make a recommendation based upon what they consider the shortfalls of the plan submitted; then give them another opportunity to change and resubmit.

**Senator Heckaman:** Are they off the regular pay scale? It is dropped completely for one year? **Jon Martinson:** As envisioned, if the plan is accepted by the review panel they would be off the traditional salary schedule and on this other plan. Their thoughts are that it would not just be for one year, but ongoing for many years. Looking at an entirely different

way of compensating teachers. The effort is to take into account how complicated teachers positions are and to compensate them for things other than just years of experience in education. **Senator Heckaman:** Just thoughts—it could put us in a situation back to the 1960's when there were no uniform pay scales, and a teacher with a desired set of skills is paid more than one without for whatever reason. Always a difficult situation because the teacher is basically on their own. **Jon Martinson:** This was discussed; purpose of the salary schedule was to ensure that high school teachers were not compensated at a greater rate than elementary teachers; that female teachers were not discriminated against; so was talked about in committee. Has a lot of faith in the local negotiating unit and school board that they would recognize the flaws you pointed out. Also a lot of faith in the membership of the review committee that should turn a flawed plan down, based upon those things. Feel there are safeguards. **Senator Heckaman:** In a sense, we are because some people will be paid more than others with the same amount of experience, and smaller school teachers are scared of this and what it will do to their staff. Salary scale puts everyone on a similar level in smaller school. In a bigger district with 100+ teachers, not such a big problem. See it causing a lot of issues; smaller schools she visited with don't think they would have much chance to get this done. When you worked on this, what did smaller schools say? **Jon Martinson:** Assure that the fear is not confined to the small schools—all over due to the very reasons suggested. However, would say that if one wants to maintain that regardless of what a teacher has to offer a school district are entitled to the same pay given length of years experience and level of education, this plan isn't for them. There is no effort to force this on any school district, so they don't have to do it. Has a problem with a district not interested telling others they can't do it either. **Senator Heckaman:** Don't feel that is an issue; don't think school districts are telling others they can't do it but it is going to make a big difference throughout the state as far as salaries go. In order to employ teachers in small districts, the salary schedule is a workable solutions. **Chairman Freborg:** When this goes into effect, and off the salary schedule, do all the teachers stay at the level they are at at the time and negotiate from there on—plus get a share of this supplemental money? **Jon Martinson:** Teachers will not make less money than they made before. Thinks that the idea of keeping the traditional salary schedule and this is in addition to is not the concept they are after. Those districts that are interested in this should be doing away with traditional salary schedule in favor of this alternative schedule that takes into account additional factors. **Chairman Freborg:** If it does, do they still negotiate the coming year's salary for each teacher or a blanket increase for all teachers or what do they do? Negotiate so much for each individual teacher or same rate for everybody? **Jon Martinson:** They would negotiate for teachers, but not the same for teachers given their years of experience and education. Instead would be based on other factors; e.g. consider a tiered approach where they move up based on many factors. May have additional responsibilities with additional compensation for those responsibilities. **Chairman Freborg:** So they get 70% of the increase and they get \$7.5 million? **Jon Martinson:** \$7.5 million is being discussed for the statewide effort. Have had conversation where \$7.5 million isn't enough because it should be available for all districts. Have had others say it is way too much money; start smaller—people on both ends of spectrum. **Chairman Freborg:** Do they use the same criteria to get some of the 70% dollars as they do for \$7.5 million? **Jon Martinson:** Believe they do. **Chairman Freborg:** All we are doing is adding \$7.5 million to the 70%? **Jon Martinson:** In terms of the funding that is what you are doing; in terms of this new way of compensating teachers, it is much different than the current system. In terms of the funding alone, that is correct.

**Chairman Freborg:** Would the criteria for both be the 70% dollars as they do the \$7.5 million? **Jon Martinson:** Believe they do; **Chairman Freborg:** So all this is doing is adding \$7.5 million to the 70%? **Jon Martinson:** In terms of the funding alone, that is correct. It is a new way of compensating teachers, it is much different than the current system used. **Chairman Freborg:** Why is \$7.5 million more needed? **Jon Martinson:** In order to implement this new idea in a number of school districts; the goal is to change the way we negotiate but add significant dollars to increase teacher pay. Need more money than is currently provided in foundation aid. **Chairman Freborg:** Once the program is up and running, do they need X dollars beyond the 70% every biennium? **Jon Martinson:** Yes; If successful, it should need significantly more money!

**Senator Gary Lee:** Is this for a pilot program versus system wide? Why was that idea dismissed if there is difficulty in terms of everyone looking at this in a positive way. **Jon Martinson:** We don't want "pilot" to mean short-term. Want it to start small in a few districts. Statewide it will be very expensive as it takes a lot of money to implement. Many school districts are not likely to be interested due to requirements. The three education associations are in agreement on the Alternative Teacher Compensation program—North Dakota Council of Educational Leaders, North Dakota Education Association, and North Dakota School Boards Association. The idea is to start small and do it right so the idea will take hold and grow. Also very important it be voluntary. **Senator Gary Lee:** As far as paying on a different scale for hard to fill positions, didn't we deal with that to give them that flexibility already? Why would that be a reason to meet criteria if someone is already there? **Jon Martinson:** page 27, lines 8+ outlines the four criteria to meet for the program. Hard to fill positions is just one of them; should be reimbursed at a higher rate than those easy to find. **Senator Gary Lee:** So if a physics teacher is hard to find, they could use that money to pay more and get them to stay? **Jon Martinson:** Exactly; hard to fill positions could be paid more.

**Senator Luick:** Everyone would be on a different pay scale; seems we already have that for those on the bottom end that meet requirements, and have no desire or interest to move up or improve skills. Have the ones on the other end of the scale who continually strive to improve; personal satisfaction is their only compensation.

**Senator Heckaman:** Don't see anything new on page 27: B. 1. The school district already has this option; 2. Already paying more for advanced degrees; 3. Continuing education credits/advanced degrees are figured into the pay scale; 4. Assuming additional responsibilities already compensated. **Jon Martinson:** Those are limited examples, but correct. **Senator Heckaman:** If the state is giving more compensation to teachers this year, what prevents the school districts from doing this now with new money? **Jon Martinson:** Didn't talk about #5; this plan would take into account measures of student growth, including academic growth. **Senator Heckaman:** Will talk about that later. **Jon Martinson:** The current salary schedule doesn't allow the range they are looking at, and finances. **Senator Heckaman:** What prevents them from doing this now—they are getting new money this year? Is the salary schedule mandated? **Jon Martinson:** Not sure whether they have to stay with the salary schedule—negotiated between the board and teachers union. Maybe could do a plan if both sides agreed? A significant increase in dollars would be needed as an incentive. **Senator Heckaman:** Think they already have the power to do this if the board and teachers group agreed to it. Now to #5—various

measures of growth. Having been in many years of education, know that is the most difficult one to measure. That's the one that's going to cause the most dissention between staff members. All schools are trying to get their scores up; one class will raise scores, but the next year the teacher could have a class that drops. Hardest one to measure, and probably worst thing that can be done to staff members. Still wondering why it is needed in law?

**Senator Flakoll:** \$7.5 million is a reflection of the weighting factor of .06, correct? **Jon Martinson:** That is correct. **Senator Flakoll:** So the .06 would be subject to the 70% language? **Jon Martinson:** Not sure. **Senator Flakoll:** Some of the big schools are worried that all the money will go to the small schools. Under 1.B.1 the hard to fill positions are really problematic in many areas across the state. There could be some geographic differences here, correct? **Jon Martinson:** It may be a concern; there are SO many other issues involved in this. That is really minimal. What it takes to bring this forward is huge—lot of concerns to get through. School size would be mitigated by getting the school board and teacher union together on a plan to present to the review panel. **Senator Flakoll:** Could a school district apply saying “we need a ??? teacher; could be for one person/positions? **Jon Martinson:** It would be a lot of work/effort for one teacher and one position. **Senator Flakoll:** One of the differences, lot of history and culture behind the current salary schedule, is the inability to go to impasse. In your mind, how does that play into being able to move this forward? **Jon Martinson:** Good question; the only piece of this that doesn't go to fact finding is the compensation piece. All the other things that are negotiated are subject to fact finding. The reason they support the idea of this not going to fact finding, is because the board and teachers union have agreed on submitting an application and they agree with contents. No need for fact finding. **Senator Flakoll:** When talk about using XX dollars to achieve an end point, is there a range--when they apply and say they need \$2000 year per teacher for hard to fill position (example), or need \$5000 or \$7000? How is an amount determined? **Jon Martinson:** With a hard to fill position in your example, the district would be interested in a dollar amount in that position. Understands the focus on the dollar value; want everyone to know the incentive here for teachers he doesn't think will be that much of the salary. Thinks the motivating factor for teachers is going to be the other things involved with the plan—the opportunities for professional development, the opportunities to mentor teachers, to move up this tier to have additional responsibilities that may be administrative. The law isn't specific on how much a certain number of teachers, need to fill certain areas. District would have to come up with an amount they think is appropriate to request of the review panel, and the panel would go over that request. **Senator Flakoll:** When they make their request, is a cap on certain dollar amounts? Would there be gradations? **Jon Martinson:** The district would submit an overall plan based upon a set of criteria required in order to move up a salary tier. He envisions having a salary range within the tiers; up to the local district to place teachers. **Senator Flakoll:** The \$7 million, the state would provide what could be in excess of \$1 billion this session. Is this ½ of 1% that goes to this plan? Small percent? **Jon Martinson:** Yes, it is a small percent on purpose.

**Senator Heckaman:** When looking at the fiscal note and the district, is some of the money going to the development of the plan or 100% to the weighting factor? Would those working on the plan get some compensation? **Jon Martinson:** Those that work on the plan are not compensated under the bill.

**Senator Schaible:** This would be continued funding then? **Jon Martinson:** That is correct; this plan will not work if the funding is not sustained.

**Senator Gary Lee:** If a teacher gets supplemental pay this year due to meeting the criteria, but don't meet it the next year—do they lose pay? How would the system play out in an on-going basis? **Jon Martinson:** Not sure; this requires a lot of conversation. Just as teachers don't lose now, they would not lose under the new compensation plan. If they achieve salary range in a certain tier, they would not lose compensation next year.

**Senator Freborg:** Have an amendment to act on; page 13, relating to AP course and dual credit course credit hours. **Senator Flakoll:** AP credit would equal 1CU and dual credit would equal ½ CU as referenced by Connie Mittleider earlier in the day. Move Do Pass to Amendment 11.0208.050005 (#4 attachment); second by **Senator Gary Lee.** Motion carried 7-0-0 (Vote 1-D).

**Section 27: Annual Report—Required Content; Section 28: Existing Contracts—Terms—Effect; Section 29: Pan Review Panel—Reimbursement for Expenses** will be amended.

**Section 30: Isolated Schools—Transition Payments** okay as written (at this time)

**Section 31: Transportation Grants—Distribution** okay as written (at this time)

**Senator Luick:** Does this rate have type of a floating measure to account for fuel prices or just a standard rate? **Senator Flakoll:** Flat rate; doesn't pay 100% of the cost of transportation.

**Section 32: Use of New Money—Teacher Compensation Increases—Reports to the Legislative Management** will be amended

**Section 33: Regional Education Association—Grants** okay as written (at this time)

**Section 34: Appropriation** will be amended

**Section 35: Principal Mentorship Grants** will be amended

**Section 36: Appropriation** will be amended

**Section 37: Repeal** okay as written (at this time)

**Senator Flakoll** With the adoption of SB 2200 in 2007 session, there was a provision wherein deferred maintenance was allowed in the event the ending fund balance exceeded certain trigger mechanisms. This amendment allows up to ~\$7 million to be triggered for deferred maintenance for physical plant improvements. If at the end of session the OMB says there will be for an ending fund balance, if it is estimated that on April 30, 2012 that on June of that year there is in excess of \$30 million, that money could be released for DPI for use in schools. Second trigger would be the following year, on same months. It is either one or the other—not both, \$7 million top end. Each district that participates may receive a base of \$10,000—that is because smaller districts don't have student numbers, then based on the pro rata share of students. **Chairman Freborg:** Is this the same language as two years ago? **Senator Flakoll:** In concept, yes. The dollars move up and down over the years. Moved a Do Pass to amendment 11.0208.05007 (#5 attachment); Second by **Senator Gary Lee.**



**Senator Gary Lee:** #5—at 150 mills, are we including or excluding a lot of school districts?  
**Senator Flakoll:** The amount should be 110 mills, that is a misprint so needs a “friendly” amendment to correct the amount from 150 mills to 110 mills. Motion carried; 7-0-0 (Vote 1-E)

**Senator Flakoll:** Compulsory attendance amendment--this would change the compulsory age from 16 up to 17 beginning July 1, 2015. If you graduate from high school and are 16, a person does NOT need to stay in school. If you graduate at an age below 16, you are not required to remain in high school—can go to college or work. **Senator Heckaman:** Why have it in there if it doesn't do anything this session? **Chairman Freborg:** To get everyone prepared for it. **Senator Flakoll:** This gives time to make important preparations for it. Need to have an increased number of counselors available and give them time to prepare.

**Senator Flakoll:** Motion a Do Pass for amendment 11.0208.05008 (#6 attached); second by **Senator Gary Lee.**

**Senator Schaible:** Just to clarify—why are we doing this? **Senator Flakoll:** Need to do as much as we can to try and keep students in school. This would hopefully reduce the dropout rates, and increase the quality of life of these students. **Senator Luick:** What happens in the case of a gifted student? **Senator Flakoll:** Would not impact them; if they wish to take college credits, etc. Basically if they turn 17 or graduate—as in current law if they turn 16 or graduate. **Senator Luick:** #2, “the person shall ensure that the child is in attendance at the public school” doesn't that subject you to controversy whether they've graduated or not if under 17? **Senator Flakoll:** #2 only deals with six year olds; adopted in 2001. Once you put a student in, they stay in school. If withdrawn, the student cannot re-enroll until the next year.

Motion carried 7-0-0 (Vote 1-F)

# 2011 SENATE STANDING COMMITTEE MINUTES

Senate Education Committee  
Missouri River Room, State Capitol

Committee Work on SB 2150  
February 1, 2011  
13803

Conference Committee

Committee Clerk Signature



## Minutes:

See Attached Amendments

**Senator Flakoll** Presented amendment 11.0208.05015 (#6 attachment) to SB 2150; this amendment would allow DPI to obtain a transfer from the Bank of North Dakota to ensure the financial obligation is met for special education student costs; temporary no interest loan. Motion by **Senator Flakoll** a Do Pass; seconded by **Senator Luick**.

**Senator Gary Lee:** In the original bill Section 37 was repealed and yesterday a subsection was added. Is this a subsection of that amendment, or is this a section? **Senator Flakoll:** Think that is a technical thing that legislative council will get it worked out. That is something they decide; floating section for awhile. **Senator Gary Lee:** So this has nothing to do with the amendment from the other day. **Senator Flakoll:** Intent is not to delete what was done the other day with the repealed section; but to insert a new section. Think the repeal language is always listed last. This doesn't supersede or replace anything that has been done. Sometimes several may come with the same section number; legislative council will sort it out.

**Senator Luick:** Is there a cap on this \$\$ amount here? **Senator Flakoll:** No cap, because in 2007 with SB2200 when the funding formula was changed, the state of North Dakota would pay our obligation in full. There is no cap, and the need for this as a backstop to ensure the school districts get paid.

Motion carried 7-0-0 (Vote 1-G)

**Chairman Freborg:** Is this section okay with everyone now; we'll mark it as okay although the number may change.

**Senator Flakoll:** Handed out amendment 11.0208.050014 (#7 attachment) relating to the Child Development Associate credential in Section 14; the grant would be sent directly to the campus and not written to the student. Motion to approve by **Senator Flakoll**, second by **Senator Gary Lee**. Motion carried 7-0-0 (Vote 1-H)

Section 34: is okay for now.

**Senator Flakoll:** Handed out amendment 11.0208.050019 (#8 attachment) adds Section 29 to the Supplemental teacher-effectiveness compensation plan. The school district

would forward to the entitled teacher a lump sum payment at the conclusion of the school year. Motion to approve by **Senator Flakoll**; second by **Senator Gary Lee**.

**Senator Heckaman:** Do not understand the compensation plan then; understood that the compensation plan was basically a salary schedule that the teacher would receive when they were contracted—confused? If it isn't their contracted salary, do they get a salary and additional on top of that? **Senator Flakoll:** In this case they would get their salary and then get this as a bonus if they achieved the set requirements and/or goals.

**Senator Gary Lee:** This would make that a bonus plan; wouldn't move them up or down in a lane as they currently do. **Senator Flakoll:** Whether called a bonus plan or alternate payment, wouldn't necessarily involve the salary schedule. Would have to work through the school year to qualify; not just three months or whatever. **Senator Gary Lee:** So the teacher would remain at their current salary and at the end of the year would get this payment if I met the requirements. The next year the person would still be at the same place on the salary schedule; would the plan still be in place that the goals be accomplished and then get the end of year payment—or just one year at a time payment? **Chairman Freborg:** His question to Senator Flakoll was at what point do they get this money because if evaluated at the end of the year, and considered to have supplemental compensation coming, when do they get it. Do they get it the next year on their salary—what if they leave the district? Even though they should get it within a certain number of days, but could be mailed to them. Not sure he understands 100% either, but it's a means to pay the teacher after their year-end evaluation. **Senator Gary Lee:** Just trying to understand to go forward, for that teacher if they stay in the system, they would get this payment at the end of the year. Next year do they get it just because they are there again or do they have to achieve the same plan and accomplishments? If they don't achieve the goals is it not there for them—trying to understand how it works past the first year. **Senator Flakoll:** Views the supplemental teacher effectiveness compensation plan as a year by year basis. Because earned in one year, doesn't mean you have earned it for the next 20 years. Not guaranteed if they don't grow. Think it is an annual basis.

Motion carried; 5-2-0 (Vote 1-1)

Section 29: amendment coming; **Senator Flakoll:** Can we just hold off on all of that, there are several amendments coming on that topic.

**Senator Flakoll:** Amendment 11.0208.05018 (#9 attachment) page 27 replaces lines 22 & 23. Teachers will be evaluated throughout the entire school year—makes that clear. Also to make it as definable and measurable as possible, and that also "frequency" is important or cumulative effects. Doing a number of things throughout the year has a greater effect than "yes or no". That there is value in doing a number of things over the minimum. Motion to approve; second by **Senator Luick**.

**Senator Heckaman:** Are those standards specific to the school, state, or national? **Senator Flakoll:** Could include national standards (National Teacher certification); but the school district develops a plan to propose, certain benchmarks should be held in higher regard with respect to the plan. **Senator Heckaman:** When it says based on defined and measurable standards, will all schools participating have the same standards? If I am in

school Y and meet their standards, and move to school Z do I meet the same standards—will they be uniform across the schools participating? **Senator Flakoll:** This would not require that; still gives districts the latitude to do what is best for them. It goes through a review panel process so they may look for more standardized that they believe are helpful. That they would accept and if not in the plan could make recommendations.

Motion carried 7-0-0 (Vote 1-J)

**Senator Flakoll:** Amendment 11.0208.5013 (#10 attachment) replaces “including” on page 27 line 21 with “and specifically”. Looking for specific academic growth in terms of providing the plan. Interested in feedback from committee. **Senator Luick:** Likes the word especially. **Senator Flakoll:** Motion to approve with friendly amendment to replace “specifically with especially”; second by **Senator Luick**. **Senator Heckaman:** Not going to support the amendment specifically because she does not like Section 5 anyway. Don’t like it with that word any better. In doing a lot of reading and research in this area on teacher compensation plans, everything she has read points to the fact that paying teachers more doesn’t improve the academics that much.

Motion carried 5-2-0 (Vote 1-K)

**Chairman Freborg:** Any more amendments today, or can we go back through the sections and check them off? **Senator Flakoll:** Should be able to, but never know what section legislative council is going to put things in and may have to revisit a section. **Chairman Freborg:** We’ll go back section by section and talk about them; nothing is approved until the final vote on the bill.

Sections 1 & 2 will be amended  
Sections 3 & 4 are okay for now

Section 5: **Senator Flakoll:** Haven’t made a request yet, but wondering if it would be a benefit to have the Professional Development Advisory committee make a report to the interim legislative management committee. Problems they have had, interact with them in terms of what they find in going through the applications and find what is floating to the top as far as ideas that seem to be clever and workable. **Senator Luick:** Is that the committee that has helped the interim committee on establishing SB 2150? How many sit on that board? **Senator Flakoll:** Sorry, wrong section—thinking of another one to amend; this one is okay for now.

**Senator Luick:** Who is the Professional Development Advisory committee? **Jerry Coleman:** This committee was created last biennium out of HB 1400; staffed by Lois Myran—manages that for the department. Think this section creates a compensation for the members that serve on the committee. **Senator Luick:** What do they do? **Jerry Coleman:** Really don’t know the details but could have someone come down and explain. **Senator Gary Lee:** Is this in DPI’s budget? **Jerry Coleman:** Believes it is in DPI appropriation bill. **Senator Heckaman:** How many members sit on that committee? **Jerry Coleman:** Do not know; think it is a large committee. Can call and have Lois Myran come address the committee questions. **Senator Heckaman:** When received testimony, she has written \$122,000 total in the corner of her bill. Would like some explanation on that.

**Chairman Freborg:** Any other questions for Jerry; could have someone come this afternoon. **Jerry Coleman:** Will get some answers and see if Lois can come down.

**Senator Marcellais:** Just a comment; thinks this was a request from the Governor to establish this Professional Development Advisory committee. Can recall as tribal chairman at Belcourt he appointed two people from his district to sit on the committee. Don't know the total number on committee.

Sections 6 – 7 – 8 – 9 – 10 – 11 are okay.

Section 12: **Senator Flakoll:** visited with Anita Thomas in Legislative Council about adding American Sign Language as a requirement (Section 10). It is included in the two scholarship areas but not in the minimum graduation requirements because then every school district would have to offer it. Don't believe there will be amendments for Section 12. **Chairman Freborg:** Section 12 is acceptable? Mark it okay.

Sections 13 & 14 will have amendments.

Sections 15 & 16 are okay.

Section 17 **Senator Flakoll:** Think it was a hold on that one because weren't sure where the ACT, AP and dual credits amendment would fit. Think it is okay now.

Section 18 is okay

Section 19 has amendments coming

Sections 20 – 21 – 22 are okay

Sections 23 & 24: are okay

**Senator Heckaman:** Don't think we did 23 & 24; not marked okay. Thought we were holding them for amendments from Senator Flakoll. **Chairman Freborg:** Does anyone want to hold 23? 24? Mark them okay.

Section 25 was amended

Section 26 hold until Monday

**Senator Heckaman:** Visited with some superintendents this morning regard lines 27 & 28. Asked them what happens if there is no impasse, and they have no idea. Like more clarification on that part. **Chairman Freborg:** Don't know unless the school decides to do this, do they have to come to terms prior to initiating this. That would have to be taken care of; if they couldn't agree there isn't a plan. **Senator Heckaman:** Probably true; just don't know if it is written appropriately.

Section 27 is okay

Sections 28 & 29 have been amended

Sections 30 & 31 are okay

Section 32 hold

Sections 33 & 34 are okay

Section 35 hold

Sections 36 & 37 are okay; approved a new 37.

*(Recess to the call of the chair)*

**Lois Myran, Assistant Director of Professional Development at DPI,** appeared to answer questions from the morning work session.

**Senator Luick:** on page 6, Section 5; the definition of the Professional Development Advisory committee and how many serve, their purpose, and if they were involved with drafting SB 2150?

**Lois Myran:** presented three handouts: (#11 attachment) outlines the Professional Development Plans from last session HB 1400 for Section 13, Chapter 15; (#12 attachment) list of names on the committee; (#13 attachment) North Dakota Professional Development Advisory Committee Process.

The committee was put into place after HB 1400 last session. This document asks that DPI's Superintendent appoint an advisory committee; that was done by Dr. Sanstead. Purpose was to carry out the details in Section 13, Chapter 15. One of the first things done was to hire an assistant director (herself) and has an administrative assistant. One job was to take a look at the status of professional development in the state. Wanted to have every professional development plan submitted to DPI for the committee to review. There are 24 people on the committee; represent the entire state—administrators, North Dakota Council of Educational Leaders, North Dakota Education Association, North Dakota School Boards Association, teachers, Universities—large & small schools from across the state.

Began looking at research of professional development, took plans from districts to see what was happening, surveyed all administrators and teachers, developed a teacher professional development standards so teachers and principals had a good look at expectations. Spent a lot of time developing an on-line process for PD. Plan focused on research and used school improvement plans. Developed an on-line review process; reviewed 189 plans. Went to REA's and conferences and talked about the processes. Compensation right now is paid by districts; mileage, meals, hotels.

**Senator Luick:** In your rough estimates, going forward, what do you expect this to cost the state? **Lois Myran:** Thinks the \$122,000 is pretty realistic; it costs right at \$6372 each time the full committee meets. Subcommittee meetings are hard to tell. \$15,000 for all subcommittees to meet at one time. Professional development plans are now reviewed on-line so the committee members are doing it from home sites. They plan to do a full review every three years; takes about three hours to go through a plan. Need two people to do it so it gets a variety of opinions. **Senator Flakoll:** Governor Dalrymple testified on behalf of the commission; have a note that this would be the last session (2011-2013) that they would need to have the advisory committee as will have completed their work. Is that your understanding? **Lois Myran:** That is what she understands the Governor's opinion is on it. Really depends on what the legislature's see as the mission and purpose of what needs to be done and carried forward in the future. Up to your wishes. **Senator Flakoll:** Do you feel the advisory committee should go on? **Lois Myran:** Have done the "lion's share" of the work these first four years; think most will be done. Thinks it is always good to use the field as a sounding board for what is being done—especially with state level expectations.

**Senator Gary Lee:** So all members on this list would be paid the per diem? There are DPI employees on the list, they would be paid? **Lois Myran:** No, do not anticipate that the DPI personnel would be paid; salaried and part of the job. Twenty-two members would be paid.

**Senator Flakoll:** Does it permit that the person receives their pay from school district or agency and also the per diem? Can they double dip—is there a provision that they get their normal salary and the \$135 would go to employer? **Lois Myran:** Could be looked at in different ways. Some schools have policies that you cannot have a stipend if working at a state meeting. Sometimes there is work required off of school time, and the stipend would be appropriate. Probably vary by committee member as to who it would receive the stipend. Some work is done in the summer which is off contract time.

**Senator Luick:** Has a problem with this; serves on a local REA board and there is no compensation from the state. Conflicting feeling with this board getting paid. **Lois Myran:** Think this was based on other committees getting paid; the work is not just done at the meeting. At least expenses should be covered. They can review the professional development plans can be done from home since they are on-line, so no compensation for that may be appropriate.

# 2011 SENATE STANDING COMMITTEE MINUTES

Senate Education Committee  
Missouri River Room, State Capitol

Committee Work on SB 2150  
February 2, 2011  
13873

Conference Committee

Committee Clerk Signature



## Minutes:

See Attached Amendments

**Senator Flakoll** Presented amendment 11.0208.05016 (#14 attachment); page 16 replaces lines 6-8, adds must be aware they have the opportunity for individual high school education plan review. Motion by **Senator Flakoll**; second by **Senator Gary Lee**.

**Senator Marcellais:** Does it have to be written notice or verbal? **Senator Flakoll:** It doesn't specify; haven't heard of any problems with students getting it if they ask. Can be notified either way.

Motion carried 7-0-0 (Vote 1-L)

**Senator Flakoll:** Presented amendment 11.0208.05021 (#15 attachment); Section 37 All Day Kindergarten—requests an impact report from the school districts to see if they can validate any improvement after adding all day K. The concept was adopted but no kind of assessment has been done to determine the value of the millions spent.

**Senator Heckaman:** Are there any reports accepted now on kindergarten activities? **Senator Flakoll:** The same reports for all other grades; enrollment, etc. Not an objective look at the results or growth models.

**Senator Luick:** Would there be a basic form that would be sent out by DPI? **Senator Flakoll:** Thinks DPI could provide guidelines and things they would wish to answer; e.g. the level of remediation required so they can go in and analyze prior to and after. What they are seeing/getting as far as testing models; compare the data that has been available in early years and after introducing all day K programs. Helpful to have tangible information. **Chairman Freborg:** Unless the schools change their programs to some extent, are they going to be able to just copy the first year's report and send in every year? **Senator Flakoll:** They would need to update that; we may want to consider a sunset clause after we get a few years of data—that should suffice. Don't want to be burdensome to the districts. Let's get a couple of years worth of data and then decide if we want more. **Chairman Freborg:** One biennium would probably be just right; anyone want longer. **Senator Schaible:** Would be in favor of it with a sunset clause, if their kindergarten is based on requirements already set by the state, and adapted by the local school, why do they need to confirm that they are doing what they are unless looking at expansion. Otherwise, would probably be against it. **Senator Flakoll:** Not a matter of are they doing



what is prescribed, but is it eliciting the outcomes, the work product, the improvements because of kindergarten that we hoped would happen when we sold everyone on it.

**Senator Flakoll:** Motion Do Pass to amendment 11.0208.05021 with a verbal amendment to add a sunset clause of June 30, 2013; second by **Senator Luick**.

**Senator Heckaman:** Don't know if this is a necessary item needed right now because the kindergartens are doing what they need to do; sometimes you look at measureable academic growth and it is hard to put on paper so not supporting the amendment.

Motion carried 5-2-0 (Vote 1-M)

**Senator Flakoll:** Handed out amendment 11.0208.Flakoll #4 (#17 attachment) Section 5, page 7, line 3 which removes the compensation of \$135 for the Professional Development Advisory committee. Will pay for the cost of the meeting, but no per diem. Motion Do Pass; second by **Senator Gary Lee**. **Senator Schaible:** Does it say in here that the committee would no longer be needed after next year? **Senator Flakoll:** No.

Motion carried 7-0-0 (Vote 1-N)

**Senator Flakoll:** Handed out amendment 11.0208.05020 (#17 attachment) **Chairman Freborg:** Requires every child of age 6 to attend kindergarten. **Senator Gary Lee:** Just to clarify—if someone asks to have kindergarten, they need to provide it? Is that the way it is done? **Chairman Freborg:** Yes, they do. Approximately 90-95% of children now attend kindergarten as it is not mandatory. The state sponsors Pre-K, and then kindergarten made possible by the state, and not at least make K compulsory what are we doing to the children that don't attend? Really leaving them behind if the information provided about the early programs is true. The legislature is not doing its job if funding all day kindergarten but not all ages 5-6 are going.

**Senator Schaible:** Feels it should be offered, but children shouldn't have to attend. Trend to keep moving education requirements down to the early years. Preschool, pre-kindergarten, kindergarten is expanded, seems like a trend that education keeps expanding down the levels—and every program is good but at some point it seems we are taking the choices away from the parents. That is the resistance he sees in his area; if available they have the choice and if not required. **Chairman Freborg:** Certainly agree with most of what was said, except problem is that the state is funding it and yet we don't require it. That leaves some students home with the parents who for some reason don't send them to kindergarten. They have to go to the first grade and they are going to be behind. **Senator Schaible:** We also fund Head Start, Preschool, Pre-kindergarten, alternative education, etc. In some areas it works very well, but in rural areas some of it doesn't. The local control would be a better asset in that situation; don't disagree that it's not beneficial but think it needs to be more in local control or parental control.

**Senator Flakoll:** Motion Do Pass on the motion; need to make sure that #1. States between the years of six and seventeen years . . . as it was amended earlier. Second by **Senator Gary Lee**. Motion carried 5-2-0 (Vote 1-O)

**Senator Flakoll:** Handed out amendment 11.0208.05025 (#18 attachment) to Section 26, page 28, lines 7 & 8 adds subsection e. "The chairman of the legislative management or the chairman's designee *shall serve as chair of the panel.*" Adds a new member to the committee. Motion Do Pass; second by **Senator Gary Lee**.

**Senator Heckaman:** What was the understanding prior to this who would chair the panel?

**Senator Flakoll:** Not sure, but believes the procedure would be that they could select someone from amongst the group of eight to preside over activities. **Senator Heckaman:**

As a result of this, probably vote No on this amendment; don't disagree that the chair of the legislative management should be on the panel, but think the panel could select their own chairman. **Senator Flakoll:** Feels that they need someone with a different perspective

when it comes to spending over \$7 million. Felt to have a legislative person to get things going and be in charge. **Senator Heckaman:** Thinks the panel would have other people competent to also chair. Will vote against because of the "chair" portion.

Motion carried; 6-1-0 (Vote 1-P)

**Chairman Freborg:** Section 16, pages 15 & 16 has been amended; Senator Heckaman said she would approve it (testifying in another committee) so will mark it okay now. Page 28 was just amended lines 7 & 8; that section has been amended twice but not approved. Can we approve it? **Senator Flakoll:** Is there value in putting a private citizen on there

with extensive Human Resources experience that would know the legalese; could be a sounding board for another perspective other than educational? Don't have an opinion but wanted to open for discussion. **Chairman Freborg:** Should wait for Senator Heckaman to discuss; do you intend to draft some amendments? **Senator Flakoll:** Not unless the committee thinks it's a good idea.

**Senator Heckaman:** Handed out amendment 11.0208.05022 (#19 attachment) which would add funding to Pre-K; this would add four pilot program grants for one biennium. No continuing appropriation on it. There may be some schools that want to do this for students that are underserved in Head Start programs. Heard 500-600 on the waiting lists, and this would provide grant funding to four districts to pilot. Not universal preschool. **Chairman Freborg:** Who will determine which districts? **Senator Heckaman:** Thinks the Department of Public Instruction. Motion Do Pass; second by **Senator Marcellais**.

**Senator Heckaman:** Thinks the Department of Public Instruction. Motion Do Pass; second by **Senator Marcellais**.

**Senator Gary Lee:** Do we know how much state money goes into Head Start? **Senator Heckaman:** Don't know, but could find that.

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**Senator Gary Lee:** Do we know how much state money goes into Head Start? **Senator Heckaman:** Don't know, but could find that.

**Senator Luick:** How is the amendment different from SB 2338? **Senator Heckaman:** It is patterned after 2338; this is the basic language out of that bill. It doesn't have the Early Childhood advisory council, language on facilities is abbreviated. **Senator Luick:** Fiscal note, dollar amount stayed the same? **Senator Heckaman:** Correct; same figures that council drafted from the other bill. Don't know how much it would take for four school districts. That amount was drafted for the previous bill so using the same figures.

**Senator Luick:** How is the amendment different from SB 2338? **Senator Heckaman:** It is patterned after 2338; this is the basic language out of that bill. It doesn't have the Early Childhood advisory council, language on facilities is abbreviated. **Senator Luick:** Fiscal note, dollar amount stayed the same? **Senator Heckaman:** Correct; same figures that council drafted from the other bill. Don't know how much it would take for four school districts. That amount was drafted for the previous bill so using the same figures.

Motion failed 2-5-0 (Vote 1-Q)

**Senator Flakoll:** Handed out written amendment #5 (#20 attachment) to page 28, line 9 to add someone with extensive HR experience to the panel; to be appointed by the chair of legislative management. Motion Do Pass; second by **Senator Gary Lee**.

**Senator Luick:** How will "extensive" be determined? **Senator Flakoll:** Purposely did not put X amount of years or Z companies worked for—understandably subjective. Someone with a history of over a period of years with a number of experiences. Want them to add value to the process, bring a wealth of options that could be explored to help guide the process and give input. Understand that the Chair would know who can add to the process.

**Senator Marcellais:** Why not appoint someone from the state Human Resources? **Senator Flakoll:** His feeling that someone outside can bring diverse experiences. There would be enough agency/government types already on the panel.

Motion carried; 5-2-0 (Vote 1-R)

Section 26 marked okay for now.

**Jon Martinson, Executive Director North Dakota School Boards Association** appeared to provide more information on the Supplemental Teacher-Effectiveness Compensation Plan and answer questions. (#21) Review for understanding of the plan—outlines six steps; (#22) Mandan Salary Schedule; (#23) The NEA Professional Growth Salary Schedule sample; (#24) Illustration for Revised Main Funding Formula. The idea that "steps" would become obsolete; focus becomes the professional compensation plan. The example does include education and level of experience—but more than that. His view is this is very ambitious; why would districts want to do this when they could easily count on next year's salary increase and not have to go through all of these hoops? The younger teachers on a traditional salary schedule would take 22 years to get to the top salary. Some think it is a long time; entire career. Isn't there a way to get to the top salary category earlier? Part of the attraction; don't think many districts are going to adopt this because it is too hard, too much work for administrators and teachers. Thinks some districts will be interested. Cannot just be used to fund a "hard to fill" position.

**Senator Flakoll:** Worry that you never once said "child" or "student" in your entire presentation. What happened to student achievement/performance? **Jon Martinson:** picked a sample; the one he grabbed didn't happen to mention that particular element that is in the bill that talks about student success. Trying to be really brief so didn't mention that. In the bill, critically important, have to have a factor that addresses student achievement.

**Chairman Freborg:** You said you don't believe most districts would adopt this; what happens if some districts do this and others don't? Could create a salary disparity in the state. Will all teachers want to apply to these districts? **Jon Martinson:** Would expect there would be some interest in teachers applying to different districts; would indicate that the success of the program. Would think other districts would take a look at it, but getting off the ground, explaining to people, dealing with concerns, that's the current challenge.

Thinks if it gets off the ground, other districts will take a look and rather than lose our teachers to those districts, maybe ought to look at it.

**Senator Luick:** If the district does this, looks like a substantial increase in salaries. How would small districts afford it? **Jon Martinson:** Those issues would be addressed by the review panel and local school board. Not aware of issue with larger districts being able to afford it over smaller districts. **Chairman Freborg:** It's bound to cost a lot more money if they can reach step 22 in five-seven years. It's going to take a lot of money to maintain. **Jon Martinson:** It is going to cost a lot of money. We need to do something new and get North Dakota teaching salaries higher. \$7.5 million is a lot; gets things started. Need to start somewhere and this is really a small percentage of the total budget.

(Afternoon work)

**Senator Flakoll:** Handed out amendment 11.0208.05024 (#21 attachment) page 14 adds new requirements for the academic scholarship; if a freshman falls below a 2.75 GPA they would receive a warning letter rather than being immediately bounced out of the program. If bounced out of the program, have to wait a year and then can reapply. Also includes that by the sophomore year they must maintain 15 credits to qualify. Probably have another amendment because one campus is still on the quarter system, maybe to offer \$500 per quarter.

**Senator Gary Lee:** If a student is bounced from the scholarship program for a year, would they still be eligible for the full \$6,000 over a six year period? **Senator Flakoll:** Yes

**Senator Schaible:** 15 credits required in the sophomore year; what about freshman year? **Senator Flakoll:** They must be a full time student by the college's standards, so 12 CU or whatever is required. Motion Do Pass; second by **Senator Gary Lee.** Motion carried 7-0-0 (Vote 1-S)

Discussion on the Alternative Middle School concept in SB 2316; Senator Flakoll is waiting on amendments to SB 2150 to incorporate it into the big bill. This would replace the Principal Mentoring program, Section 35, in SB 2150.

# 2011 SENATE STANDING COMMITTEE MINUTES

Senate Education Committee  
Missouri River Room, State Capitol

Committee Work on SB 2150  
February 7, 2011  
14175

Conference Committee

Committee Clerk Signature



## Minutes:

See Attached Amendments

**Linda Paluck, Director of School Approval and Accreditation, DPI**, introduced Dr. Gary Schnelard, professor from UND and St. Cloud University, and doctorate education students that are in the audience today.

**Senator Flakoll** Motion Do Pass to amendment 11.0208.05035 (#22 attachment) to Section 37 to describe allowable uses for the Federal Education Jobs Fund Programs Grants. Don't know the full details of everything related to that until the federal government finishes their work. Sounds like around \$21.5 million; this amendment is similar to HB1400 with the dollars from the federal government. Second by **Senator Luick**.

**Chairman Freborg:** Is this the same language as before? **Senator Flakoll:** Same as HB 1400 from last session with respect to the federal dollars brought in.

**Senator Schaible:** Can you give some background on this? **Senator Flakoll:** \$85 million in stimulus money last session; talking about another program but hasn't designated how it can be used. Recognizes first that this is one time funding and it should not add to the cost to continue which would be a big mistake. Has certain limitations in terms of what they can do—one time expenditures, such as improvement, renovation, repair; textbooks, technology, professional development, teachers/administrators, have to provide a written report for that. Go out on a per student basis.

Motion carried 7-0-0 (Vote 1-T) (Senator Lee voted YES later)

**Senator Flakoll** moved Do Pass to amendment 11.0208.05032 (#23 attachment) to Section 32 lists the items that are not considered part of the 70% of new money. Second by **Senator Schaible**; motion carried 7-0-0 (Vote 1-U)

**Senator Flakoll** moved Do Pass to amendment 11.0208.05017 (#24 attachment) to Section 19 to change figures and further amended to change per student payments to \$3950 for each school year 2011-2012 & 2012-2013. Second by **Senator Gary Lee**.

**Chairman Freborg:** At \$3950, \$21 up, that would total around \$4.7 million to change the payments? **Senator Flakoll:** Estimated 95,000 comes out to around \$1.184 on top; increase of roughly \$4.7 million using the example. **Senator Heckaman:** Does the second

year also go to \$3950. **Senator Flakoll:** \$3950 both years. **Senator Heckaman:** Did your total increase include both years or just the first year? **Senator Flakoll:** That is a 2 year total. The original increase was \$300 over the two years; as amended the increase per student would be \$342 for the biennium. **Chairman Freborg:** Total cost? **Senator Flakoll:** Per student basis--\$342.

Motion carried 7-0-0 (Vote 1-V)

**Senator Flakoll:** presented amendment 11.0208.05026 (#25 attachments) to add Section 19 which takes out the Principal Mentoring program and replaces it with an Alternative Middle School for grades 6-7-8. The appropriate is the same as was presented for the mentorship program; block grant starting the second year of the biennium. Page 3 of the amendment, Section 39, the effective date of July 1, 2013 should apply to 19.1.i only. On page 1 the weighting factor should be .20 not .25, so need to change that before voting and clarify the effective date for Section 19 is for #1 subsection i.

**Jerry Coleman, DPI,** came to the podium to answer questions regarding the effective date and weighting factor; (Section 36. 2011-2013 biennium and weighting factor). **Senator Flakoll:** Section 36--Do the block grants kick in the second year of the biennium and the weighting factors thereafter? **Jerry Coleman:** Section 36 deals with the block grant for the 2011-2013 biennium and the weighting factor would become effective for the second biennium. **Senator Flakoll:** So you understand the block grant begins the second year of the upcoming biennium (11-13) as written? **Jerry Coleman:** As written it says July 1, 2011 to June 30, 2013 so in his mind it would be for next biennium, not the following one. **Senator Flakoll:** Right, but the intent is not to pay it out for the first year; there is language in there that reads who are enrolled during the 2012-2013 school year, etc. **Jerry Coleman:** It is unclear to him to pay it in the second year of the biennium; doesn't really say that. So probably should add that they are going to base the number of students enrolled in the 2012-2013 school year; will be the basis for payments beginning in 2013-2014. **Senator Flakoll:** Will it allow us to pay out the \$460,000; when you look Section 36? What we want is \$460,000 which will be paid out starting the second year of the biennium--does it do that? **Jerry Coleman:** Think it is unclear how that would work. Limited to that amount, does talk about based on students enrolled in the 2013 school year. Seems to him it should address the fact that the payment would be for that second year of the 2013-2014 school year. **Senator Flakoll:** Should we put for the school year beginning July 1, 2012? Would that accomplish our intent? Or just the upcoming biennium not on a go-forward basis? **Jerry Coleman:** The last sentence in Section 36--and guess what it tells us is based on the number of kids that they serve during the 2012-13 school year, we'll make a payment. Is that how you see it--maybe will get the job done. They will identify kids that got services during that first year and that would be the sole basis for distributing that \$460,000 would be the kids served during 2012-13. **Senator Flakoll:** Would they have to start the alternative program this fall to get the money then in 2012? **Jerry Coleman:** They would have to start during the next school year. Once we got that data, then would calculate a payment. The services provided in 2012-13 would be the sole basis for distributing the money--as he sees it written. **Senator Flakoll:** So based on actual 2012-13 numbers or a roll back to prior year numbers? **Jerry Coleman:** It is written that 2012-13 would be the numbers. **Senator Flakoll:** That was his intent; want to make sure that's how you read it. **Senator Flakoll:** Does it need transitional language to go from

block grant to weighted? Are you comfortable we have it correct in the bill? **Jerry Coleman:** Should not need bridge language; after the block grant (\$460,000 in the first biennium) then effective the following biennium the .20 weighting factor would kick in. This should be patterned the same way the at-risk factor with a delayed implementation and no problem with that. This should be patterned the same way.

**Senator Flakoll:** Section 39; is it understood the date only applies to 19.1.i? **Jerry Coleman:** Should ask Anita Thomas since she drafted the amendment; don't think this language gets it done.

**Senator Flakoll:** Motion Do Pass to amendment 11.0208.05026 with the following modifications: page 1, (Section 19.1.i) change from .25 to .20, and page 3 (Section 39) to clarify the effective date applies to 19.1.i only. Second by **Senator Gary Lee**.

**Senator Heckaman:** How did you arrive at hours per week; would that be pretty much ½ time? Should we look at class periods per week instead? **Senator Flakoll:** 15 hours per week seemed about appropriate; classes vary by time and requirements, and wanted to determine what was an appropriate amount of time per day or week. Tried to make flexible by week or hour instead of by class period.

Motion carried 7-0-0 (Vote 1-W)

**Senator Flakoll:** Moved Do Pass to amendment 11.0208.0523 (#26 attachment) to Section 2 dealing with the early childhood program. Second by **Senator Luick**. This amendment states that they can't co-mingle state funds from other programs, specifically special education and the new program being proposed "Gearing up for Kindergarten".

**Senator Luick:** If moneys are not used that are appropriated for this program, what happens to leftover dollars? **Senator Flakoll:** The special education dollars--only provide a portion of the funds to deliver that program; "Gearing up for Kindergarten" believe it is to the funds available. Maybe any funds not used revert to the general fund?

**Senator Gary Lee:** Page 2 changes, just adding a subsection? **Senator Flakoll:** Don't understand the question; should just renumber once all the amendments are added. **Senator Gary Lee:** Still allows them to spend local tax and state dollars. **Senator Flakoll:** They would have to be state dollars specifically appropriated for this specific program. Can't use foundation aid dollars; has to be specifically appropriated for this program to be able to use any state dollars. **Senator Heckaman:** No dollars appropriated, are there? **Senator Flakoll:** No "current" funds identified for that.

Motion carried 5-2-0 (Vote 1-X)

**Senator Flakoll:** Would like to ask Anita Thomas to explain a change to page 2 on 11.0208.05007; should the mill rate stay at 110 as amended or revert to 150 as originally written? The way it was sent was before the change in mill levy reduction payments, the draw down of 75 mills. **Anita Thomas:** Had worked with John Walstad on that; it was his suggestion that 150 mills as the benchmark prior to any reduction in the property tax allocation. Apparently language that he and the tax department are familiar with. Unless

you want to make some changes in the level at which the eligibility would be affected, it would be appropriate to leave it with 150 mills before any reduction in the allocations. **Senator Flakoll:** If everyone agrees, would ask Anita change it back in the hog house amendment? **Chairman Freborg:** Waiting on more amendments so will recess for an hr.

**Chairman Freborg:** Section 2: questions or okay to approve? **Senator Heckaman:** Not happy with the section and no funding, but won't hold the bill up because of it. **Chairman Freborg:** We'll mark it as approved.

Sections 13 & 14 approved; Section 32 approved; Section 35 is gone.

**Senator Flakoll** moved Do Pass to amendment 11.0208.05038 (#27 attachment) to limit the time a student is designated at the lowest level for ELL to three years. Second by **Senator Gary Lee.** The ELL program has three levels with #1 being the most severe and #3 being the least severe. After three years are no longer eligible; rational being if we are sending them money to fix a problem, if you haven't fixed it in three years then not a good investment of money.

**Senator Luick:** Is this current practice or new to the system? **Senator Flakoll:** Neither a yes or no answer to that; the legislature has provided ELL funding since 1999; the categories have had definition changes over the years. **Senator Heckaman:** Without knowing the categories, it is hard to support the amendment. Will do some research on this, look at the categories and see how students are moved along.

Motion carried 5-2-0 (Vote 1-Y)



# 2011 SENATE STANDING COMMITTEE MINUTES

Senate Education Committee  
Missouri River Room, State Capitol

Committee Work on SB 2150  
February 8, 2011  
14220

Conference Committee

Committee Clerk Signature



## Minutes:

See Attached Amendments

**Chairman Freborg:** Amendment 11.0208.05039 is a compilation of all the amendments thus far, with a couple of exceptions so will vote on the ones that weren't included.

**Senator Flakoll** Motion Do Pass to amendment 11.0208.05002 (#29 attachment) to amend 11.0208.05039 to add a subsection to #1.d. and change #2 from "offering a prekindergarten" to "offering an early childhood education" program. Second by **Senator Gary Lee**. Motion carried 5-2-0 (Vote 1-Z)

**Senator Flakoll:** Just want to clarify that the amendments that have adopted that would be incorporated are: 5023, 5032, 5035, 5038.

**Senator Flakoll:** Motion Do Pass to a handwritten amendment (#30 attachment) on 11.0208.05023 on page 30, Section 33 of 11.0208.05039 add after workforce "capable of significantly improving student performance." Second by **Senator Gary Lee**. Motion carried 7-0-0 (Vote 1-AA)

**Senator Flakoll:** Handed out amendment 11.0208.05039; this is a compilation of all amendments adopted thus far. The changes to sections have been highlighted (marked up); the only thing not visible is the removal of all sections that deal with Alternative Teacher Compensation Program (10-12 sections from the bill). Spent significant amount of time trying to improve or make it work but haven't reached a point of viable solution. Added Section 33 language amendment that during the 2011-2012 interim shall look at studying the issue of teacher compensation. The weighting factors are listed separately for each biennium; the per student payments are there; transportation grants are same; note that Section 27 for board of higher education--will not receive money for credentialing. Motion to approve removal of all sections on alterative teacher compensation plan from SB 2150; second by **Senator Gary Lee**.

**Senator Marcellais:** Amendment 5023; did we take out the second paragraph for the purpose of this section. Is there any state money specifically appropriated for early childhood programs? Don't see it included in 05039, Section 2. **Senator Flakoll:** Referenced earlier with those other sections that have been adopted. Specifically cited amendments 23, 32, 35 and 38 would be included in what is being done. That will be part of the next "hog house".

**Senator Luick:** Just a comment; taking this program out is tough as he has hoped some program like this would come along. Hope some type of program can be agreed upon in the future.

Motion carried 6-1-0 (Vote 1-BB)

**Senator Flakoll:** Motion Do Pass amendment 11.0208.05039 (#31 attachment) to SB 2150; second by **Senator Gary Lee**. **Senator Heckaman:** Likes the amendment overall; do not agree with some sections but will support in its entirety.

Motion carried 7-0-0 (Vote 1-CC)

(Recess until more amendments are ready)

**Senator Flakoll:** Handed out newly combined amendments to SB 2150 (#32 attachment). The changes to pages 2, 18, 21, 26 to 28, and 31 in 11.0208.05040.

**Senator Heckaman:** Is disappointed that the entire Alternate Teacher Compensation plan was removed. **Chairman Freborg:** Can discuss this if it has merit. Rather have discussion on the amendment rather than vote against the bill because of this. **Senator Heckaman:** Is Section 35 all that is left of Sections 23-maybe 29? Maybe could look at some amendments that others were going to bring. Understood that there were going to be some amendments brought forward this morning but didn't see them. Do we need a motion to look at it section by section? **Senator Flakoll:** Would guess that if there is interest, we would need to amend all of the teacher compensation sections. **Chairman Freborg:** Do you want to move to reconsider the vote from this morning? **Senator Heckaman:** Motion to reconsider actions this morning to remove all sections regarding the Alternate Teacher Compensation plan; second by **Senator Marcellais**.

Discussion on motion:

**Senator Schaible:** As written it is too vague and hard to determine how the programs will work. Against it for this reason; too ambiguous. Believes the House may bring it back also.

**Senator Heckaman:** Agreed with this and did some checking. There are some amendments ready that should clarify this more, if presented. If funding is removed by the Senate, then they won't have the option in the House—unless she is mistaken about it.

**Senator Flakoll:** Against it due to discussion about what may come out; most of them he likes less than the original sections. The house can put their own stamp on it. He's hearing the three education groups heading it up aren't representing the true feelings of their membership, or didn't know anything about it. At first he was hopeful about the program but the more he heard the less he liked the plan.

**Senator Gary Lee:** Was also hopeful it would work; looked for some way to make it work. Many he talked to were neutral, and others didn't know anything about it. Thinks it is poor public policy at this point. Thinks a study format is appropriate to look at it again.

**Senator Heckaman:** If not revisited, there is no chance to look at the amendments prepared to address concerns. **Senator Flakoll:** This bill would have been out last week if it had not been for those sections. Spent between one third to one half of his time trying to fix it up; spent a lot of time and nothing promising was presented.

Motion failed 2-5-0 (Vote 1-DD)

**Senator Flakoll:** provided a verbal amendment to page 21, Section 19. Motion Do Pass to change the per pupil amount from \$3950 as previous amended to \$3961 for 2011-2012 and \$3961 for 2012-2013. Second by **Senator Luick**. This would be approximately \$2.7 million total for the biennium as estimated with Jerry Coleman, DPI. Motion carried 7-0-0 (Vote 1-EE)

**Senator Flakoll:** Motion Do Pass to 11.0208.05040 with the above dollar change written in; second by **Senator Schaible**. Motion carried 7-0-0 (Vote 1-FF) (*NOTE: New amendment number will be 11.0208.0541*)

**Senator Flakoll:** Motion Do Pass as amended and Rerefer to Appropriations SB 2150; second by **Senator Luick**. Motion carried 7-0-0. (Vote 1-GG) **Senator Flakoll** will carry the bill.

**FISCAL NOTE**  
 Requested by Legislative Council  
 04/25/2011

Amendment to: Reengrossed  
 SB 2150

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

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$83,880,599	\$20,338,000	\$98,455,599	\$15,338,000
Appropriations	\$0	\$0	\$83,880,599	\$20,338,000	\$98,455,599	\$15,338,000

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

2009-2011 Biennium			2011-2013 Biennium			2013-2015 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$103,593,599	\$0	\$0	\$113,793,599

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

SB 2150 is the K-12 funding and policy plan incorporating the recommendations from the ND Commission on Education Improvement.

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

The Department of Public Instruction appropriation bill SB 2013 adds \$195.7 million to the Grants - State school aid line item and \$5 million to the Transportation line item for formula payments to school districts. The total increase for State School Aid is made up of \$93.3 million plus \$85.6 million from Grants - Supplemental one-time and \$16.8 million Grants - Supplemental operations line item transfers.

State school aid: \$93.3 (in millions):

54.3 to continue the existing formula.

-2.4 for formula revisions.

4.8 to increase the formula weighting factor for Special Education.

36.2 to increase the per student payment rate.

.4 for regional education grants.

Section 24 establishes the per student payment rates. The rates will were set at \$3,910 the first year and \$3,980 the second year to distribute the appropriation. The rates are also supported by a \$9 million carry-forward of unobligated funds from the current biennium.

SB 2150 contains the language for distributing the Grants - Transportation line items. The transportation line item contains \$5.0 million to increase reimbursement rates.

Section 38 provides for up to \$300,000 from the grants - other grants line item in SB 2013 to school districts offering alternative education programs to students in grades 6-8.

Other fiscal impact sections that are not reflected in the numbers reported in section 1 above:

Section 5 limits the professional development advisory committee to three meetings per year. The amendment

reduces the cost to \$24,000. The DPI operating line item in SB 2013 was reduced to reflect this.

Section 30 changes the parameters for school construction loans from the coal development trust fund by increasing the amount of funds that can be borrowed and increasing the interest discount by ½ percent. The fiscal impact would be reflected in reduced interest income generated for the trust fund.

The section authorizing a continuing appropriation from the lands and minerals trust fund for the ND Academic and Career and Technical Education Scholarship was removed. The \$10 million appropriation for the scholarships was included in the executive recommendations. The funding source will be reconciled with the changes to the land and minerals trust fund and permanent oil tax trust fund in HB 1451.

The section adding a weighting factor for alternative education programs for middle school students was re-instated. The weighting factor would have been implemented in the 2013-2015 biennium. The fiscal impact is not known but not expected to exceed \$1 million for a biennium.

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

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

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

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

SB 2013 State school aid 77,955,599 General Fund, 15,338,000 (State Tuition Fund)  
SB 2013 Transportation 5,000,000  
SB 2013 Other Grants - Alternative Education - Middle School 300,000

SB 2150 Gearing up for Kg \$625,000  
SB 2150 Section 34 Rapid Enrollment Growth 5,000,000 (Impact Fund)

<b>Name:</b>	Jerry Coleman	<b>Agency:</b>	Public Instruction
<b>Phone Number:</b>	328-4051	<b>Date Prepared:</b>	04/25/2011

**FISCAL NOTE**  
Requested by Legislative Council  
04/13/2011

Amendment to: Reengrossed  
SB 2150

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

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$83,555,599	\$15,338,000	\$92,255,599	\$15,338,000
Appropriations	\$0	\$0	\$83,255,599	\$15,338,000	\$92,255,599	\$15,338,000

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

2009-2011 Biennium			2011-2013 Biennium			2013-2015 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$98,593,599	\$0	\$0	\$107,593,599

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

SB 2150 is the K-12 funding and policy plan incorporating the recommendations from the ND Commission on Education Improvement.

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

The Department of Public Instruction appropriation bill SB 2013 adds \$190 million to the Grants - State school aid line item and \$5 million to the Transportation line item for formula payments to school districts. The total increase for State School Aid is made up of \$87.6 million plus \$85.6 million from Grants - Supplemental one-time and \$16.8 million Grants - Supplemental operations line item transfers.

State school aid line item: \$87.6 (in millions):

- 50.7 to continue the existing formula.
- 2.4 for formula revisions.
- 2.5 to increase the formula weighting factor for Special Education.
- 36.4 to increase the per student payment rate.
- .4 for regional education grants.

Section 21 establishes the per student payment rates. The rates will need to be reconciled to distribute the appropriation. The rates are also supported by a \$9 million carry-forward of unobligated funds from the current biennium. The House intent was to establish the rates as proposed in the Executive Recommendation.

SB 2150 contains the language for distributing the Grants - Transportation line items. The transportation line item contains \$5.0 million to increase reimbursement rates.

Section 32 authorizes reimbursement for expenses of the Supplemental Teacher Effectiveness Review Panel to support the teacher effectiveness compensation initiative. The executive recommendation contained \$20,000 committee expenses and \$280,000 for a professional consultant. The appropriation is in the ACTS review panel line item in SB 2013. The sections related to supplemental teacher-effectiveness compensation (STEC) were amended to leave the structure but remove the funding.

Section 40 provides for grants to school districts experiencing rapidly rising enrollments. The \$5.0 million

appropriation is in the grants - other grants line item of SB 2013.

Section 41 adds \$700,000 to the other grants line in SB 2013 for grants to school districts developing supplemental teacher effectiveness compensation plans.

Section 42 provides for up to \$300,000 from the grants - other grants line item in SB 2013 to school districts offering alternative education programs to students in grades 6-8. Funding has not been added to SB 2013 for these grants.

Other fiscal impact sections are that are not reflected in the numbers reported in section 1 above:

Section 1 delays the additional instructional day to the second year of the biennium. The cost of one instructional day per year was estimated at \$3,680,000 by the Commission on Education Improvement. The state aid formula includes funding for the instructional day for both years. This results in a savings to school districts choosing to delay implementation. It does not impact the funding in the state school aid line item.

Section 6 limits the professional development advisory committee to three meetings per year. The amendment reduces the cost to \$24,000. The DPI operating line item in SB 2013 was reduced to reflect this.

Section 33 changes the parameters for school construction loans from the coal development trust fund by increasing the amount of funds that can be borrowed and increasing the interest discount by ½ percent. The fiscal impact would be reflected in reduced interest income generated for the trust fund.

The section authorizing a continuing appropriation from the lands and minerals trust fund for the ND Academic and Career and Technical Education Scholarship was removed. The appropriation for the scholarships is in SB 2013 for \$10 million out of the lands and minerals trust fund.

The section adding a weighting factor for alternative education programs for middle school students was removed. The weighting factor would have been implemented in the 2013-2015 biennium.

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

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

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

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

The funding for this bill is in the following line items in SB 2013.

SB 2013 State school aid 72,255,599 General Fund 15,338,000 (State Tuition Fund)  
SB 2013 Transportation 5,000,000  
SB 2013 Other Grants - Rapid Enrollment 5,000,000  
SB 2013 Other Grants - Teacher Effectiveness Plan 700,000  
SB 2013 ATCS review panel 300,000

Alternative Middle School Education program - \$300,000 funding has yet to be added to SB 2013.

<b>Name:</b>	Jerry Coleman	<b>Agency:</b>	Public Instruction
<b>Phone Number:</b>	328-4051	<b>Date Prepared:</b>	04/14/2011

**FISCAL NOTE**  
 Requested by Legislative Council  
 04/12/2011

Amendment to: Reengrossed  
 SB 2150

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

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$83,255,599	\$15,338,000	\$92,255,599	\$15,338,000
Appropriations	\$0	\$0	\$83,255,599	\$15,338,000	\$92,255,599	\$15,338,000

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

2009-2011 Biennium			2011-2013 Biennium			2013-2015 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$98,293,599	\$0	\$0	\$107,593,599

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

SB 2150 is the K-12 funding and policy plan incorporating the recommendations from the ND Commission on Education Improvement.

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

The Department of Public Instruction appropriation bill SB 2013 adds \$190 million to the Grants - State school aid line item and \$5 million to the Transportation line item for formula payments to school districts. The total increase for State School Aid is made up of \$87.6 million plus \$85.6 million from Grants - Supplemental one-time and \$16.8 million Grants - Supplemental operations line item transfers.

State school aid line item: \$87.6 (in millions):

- 50.7 to continue the existing formula.
- 2.4 for formula revisions.
- 2.5 to increase the formula weighting factor for Special Education.
- 36.4 to increase the per student payment rate.
- .4 for regional education grants.

Section 21 establishes the per student payment rates. The rates will need to be reconciled to distribute the appropriation. The rates are also supported by a \$9 million carry-forward of unobligated funds from the current biennium. The House intent was to establish the rates as proposed in the Executive Recommendation.

SB 2150 contains the language for distributing the Grants - Transportation line items. The transportation line item contains \$5.0 million to increase reimbursement rates.

Section 32 authorizes reimbursement for expenses of the Supplemental Teacher Effectiveness Review Panel to support the teacher effectiveness compensation initiative. The executive recommendation contained \$20,000 committee expenses and \$280,000 for a professional consultant. The appropriation is in the ACTS review panel line item in SB 2013. The sections related to supplemental teacher-effectiveness compensation (STEC) were amended to leave the structure but remove the funding.



Section 40 provides for grants to school districts experiencing rapidly rising enrollments. The \$5.0 million appropriation is in the grants - other grants line item of SB 2013.

Section 41 adds \$700,000 to the other grants line in SB 2013 for grants to school districts developing supplemental teacher effectiveness compensation plans.

Other fiscal impact sections are that are not reflected in the numbers reported in section 1 above:

Section 1 delays the additional instructional day to the second year of the biennium. The cost of one instructional day per year was estimated at \$3,680,000 by the Commission on Education Improvement. The state aid formula includes funding for the instructional day for both years. This results in a savings to school districts choosing to delay implementation. It does not impact the funding in the state school aid line item.

Section 6 limits the professional development advisory committee to three meetings per year. The amendment reduces the cost to \$24,000. The DPI operating line item in SB 2013 was reduced to reflect this.

Section 33 changes the parameters for school construction loans from the coal development trust fund by increasing the amount of funds that can be borrowed and increasing the interest discount by ½ percent. The fiscal impact would be reflected in reduced interest income generated for the trust fund.

The section authorizing a continuing appropriation from the lands and minerals trust fund for the ND Academic and Career and Technical Education Scholarship was removed. The appropriation for the scholarships is in SB 2013 for \$10 million out of the lands and minerals trust fund.

The section adding a weighting factor for alternative education programs for middle school students was removed. The weighting factor would have been implemented in the 2013-2015 biennium.

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

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

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

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

The funding for this bill is in the following line items in SB 2013.

SB 2013 State school aid 72,255,599 General Fund 15,338,000 (State Tuition Fund)

SB 2013 Transportation 5,000,000

SB 2013 Other Grants - Rapid Enrollment 5,000,000

SB 2013 Other Grants - Teacher Effectiveness Plan 700,000

SB 2013 ATCS review panel 300,000

<b>Name:</b>	Jerry Coleman	<b>Agency:</b>	Public Instruction
<b>Phone Number:</b>	328-4051	<b>Date Prepared:</b>	04/14/2011

**FISCAL NOTE**  
 Requested by Legislative Council  
 04/01/2011

Amendment to: Reengrossed  
 SB 2150

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

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$86,755,599	\$15,338,000	\$96,843,599	\$15,338,000
Appropriations	\$0	\$0	\$83,955,599	\$15,338,000	\$94,043,599	\$15,338,000

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

2009-2011 Biennium			2011-2013 Biennium			2013-2015 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$99,293,599	\$0	\$0	\$109,381,599

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

SB 2150 is the K-12 funding and policy plan incorporating the recommendations from the ND Commission on Education Improvement.

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

SB 2150 contains the policy language for distributing the Grants - State school aid line item in SB 2013 DPI appropriations bill. The total increase is made up of \$94.3 million (Executive and Senate versions) plus \$85.6 million from Grants - Supplemental one-time and \$16.8 million Grants - Supplemental operations line item transfers.

Based on the House Amendments the costs are \$2.8 million over the appropriation as follows:

State school aid line item: \$97.1 (in millions):

- 54.3 to continue the existing formula.
- 2.4 for formula revisions.
- 2.5 to increase the formula weighting factor for Special Education.
- 37.3 to increase the per student payment rate.
- .4 for regional education grants.
- 5.0 for grants to school districts experiencing rapidly rising enrollments.

SB 2150 also contains the language for distributing the Grants - Transportation line items. The transportation line item contains \$5.0 million to increase reimbursement rates.

Other fiscal impact sections are that are not reflected in the numbers reported in section 1 above:

Section 1 delays the additional instructional day to the second year of the biennium. The cost of one instructional day per year was estimated at \$3,680,000 by the Commission on Education Improvement. The state aid formula includes funding for the instructional day for both years. This results is a savings to school districts choosing to delay implementation. It does not impact the state aid formula.

Section 6 limits the professional development advisory committee to three meetings per year. There is currently

\$92,000 identified for the expenses of the advisory committee in the DPI operating line. The amendment reduces the cost to \$24,000.

Section 15 provides a continuing appropriation from the lands and minerals trust fund for the ND Academic and Career and Technical Education Scholarship. During the first year of the program (2010-11) one cohort of freshman was added at an estimated cost of \$2 million dollars. Each year adds a new cohort of freshman until the program becomes fully enrolled at 8 cohorts in 2013-2015. Five cohorts will be funded in 2011-13 at a cost of \$10 million. The scholarships were included in the Executive Recommendation and are not included in the numbers reported in section 1 above.

Section 22 provides a weighting factor for alternative education programs for middle school students. The weighting factor would be implemented in the 2013-2015 biennium. The cost for a biennium is projected at \$1,088,000.

Section 31 provides the language for determining the amount of funding for supplemental teacher-effectiveness compensation (STEC). The stated intent is to limit the cost of the program to \$4.0 million. No funding source has been identified for this program.

Section 36 authorizes reimbursement for expenses of the Alternative Teacher Compensation System Review Panel to support the STEC plan. The executive recommendation contained \$20,000 committee expenses and \$280,000 for a professional consultant. No funding source has been identified for this program.

Section 37 changes the parameters for school construction loans from the coal development trust fund by increasing the amount of funds that can be borrowed and increasing the interest discount by ½ percent. The fiscal impact would be reflected in reduced interest income generated for the trust fund.

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

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

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

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

The funding for this bill is in the following line items in SB 2013.

SB2013 State school aid 83,955,599 General Fund 15,338,000 (State Tuition Fund)  
SB2013 Transportation 5,000,000

<b>Name:</b>	Jerry Coleman	<b>Agency:</b>	Public Instruction
<b>Phone Number:</b>	328-4051	<b>Date Prepared:</b>	04/06/2011

# FISCAL NOTE

Requested by Legislative Council  
02/21/2011

**REVISION**

Amendment to:            Reengrossed  
   SB 2150

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

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Expenditures</b>	\$0	\$0	\$83,955,599	\$15,338,000	\$83,955,599	\$15,338,000
<b>Appropriations</b>	\$0	\$0	\$83,955,599	\$15,338,000	\$83,955,599	\$15,338,000

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

2009-2011 Biennium			2011-2013 Biennium			2013-2015 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$99,293,599	\$0	\$0	\$99,293,599

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

SB 2150 is the K-12 funding and policy plan incorporating the recommendations from the ND Commission on Education Improvement.

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

SB 2150 contains the policy language for distributing the Grants - State school aid line item in SB 2013 DPI appropriations bill. The total increase is made up of \$94.3 million (identified below) plus \$85.6 million from Grants - Supplemental one-time and \$16.8 million Grants - Supplemental operations line item transfers.

State school aid line item: \$94.3 (in millions):

- 54.3 to continue the existing formula.
- 2.4 for formula revisions.
- 2.5 to increase the formula weighting factor for Special Education.
- 39.5 to increase the per student payment rate.
- .4 for regional education grants.

SB 2150 also contains the language for distributing the Grants - Transportation line items. The transportation line item contains \$5.0 million to increase reimbursement rates.

Section 5 changes the compulsory attendance age to 6 to 16 for 2011-2013 and to age 6 to 17 beginning July 1, 2015. This note does not include an estimate of the cost of adding additional students for the state aid payment.

Section 15 provides a continuing appropriation from the lands and minerals trust fund for the ND Academic and Career and Technical Education Scholarship. During the first year of the program (2010-11) one cohort of freshman was added at an estimated cost of \$2 million dollars. Each year adds a new cohort of freshman until the program becomes fully enrolled at 8 cohorts in 2013-2015. Five cohorts will be funded in 2011-13 at a cost of \$10 million. The scholarships were included in the Executive Recommendation and are not included in the numbers reported in section 1 above.

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

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

The funding for this bill is in the following line items in SB 2013.

SB 2013 State school aid: 78,955,599 General Fund

15,338,000 (State Tuition Fund)

SB 2013 Transportation 5,000,000

<b>Name:</b>	Jerry Coleman	<b>Agency:</b>	Public Instruction
<b>Phone Number:</b>	328-4051	<b>Date Prepared:</b>	02/21/2011

**FISCAL NOTE**  
 Requested by Legislative Council  
 02/10/2011

Amendment to: SB 2150

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

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Expenditures</b>	\$0	\$0	\$84,565,599	\$15,338,000	\$84,565,599	\$15,338,000
<b>Appropriations</b>	\$0	\$0	\$84,565,599	\$15,338,000	\$84,565,599	\$15,338,000

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

2009-2011 Biennium			2011-2013 Biennium			2013-2015 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$99,903,599	\$0	\$0	\$99,903,599

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

SB 2150 is the K-12 funding and policy plan incorporating the recommendations from the ND Commission on Education Improvement.

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

The Department of Public Instruction appropriation bill SB 2013 adds \$196.7 million to the State school aid line item and \$5 million to the Transportation line item for formula payments to school districts. The total increase for the State School Aid line item is made up of \$94.3 million (identified below) plus \$85.6 million from Grants - Supplemental one-time and \$16.8 million supplemental operations line item transfers.

SB 2150 contains language for distributing the Grants - State school aid and Grants - Transportation line items.

State school aid line item: \$94.3 (in millions):

54.3 to continue the existing formula.

-2.4 for formula revisions.

2.5 to increase the formula weighting factor for Special Education.

39.5 to increase the per student payment rate.

.4 for regional education grants.

Transportation line item: \$5.0 to increase reimbursement rates.

Section 29 appropriates \$150,000 to the Department of Commerce to provide \$1,200 grants to individuals seeking a child development associate credential.

Section 30 appropriates \$460,000 to the Department of Public Instruction grants to school districts providing alternative education programming for students in grades six, seven and eight.

Section 31 appropriates \$7.0 million to the Department of Public Instruction for the purpose of awarding eligible school districts deferred maintenance and physical plant improvement grants. This appropriation is contingent upon the state general fund ending balance exceeding projections by more than \$30 million and is not included in the numbers

reported in section 1 above.

Section 5 changes the compulsory attendance age to 6 to 16 for 2011-2013 and to age 6 to 17 beginning July 1, 2015. This note does not include an estimate of the cost of adding additional students for the state aid payment.

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

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

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

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

SB2013 State school aid	78,955,599	15,338,000 (State Tuition Fund)
SB2013 Transportation	5,000,000	
SB2150 Alternative Education	460,000	
SB2150 Child Dev Cred	150,000	
2011-13 Biennium Total	84,565,599	15,338,000

State school aid	78,955,599	15,338,000
Transportation	5,000,000	
SB2150 Alternative Education	460,000	
Child Dev Cred	150,000	
2013-15 Biennium Total	84,565,599	15,338,000

<b>Name:</b>	Jerry Coleman	<b>Agency:</b>	DPI
<b>Phone Number:</b>	328-4051	<b>Date Prepared:</b>	02/14/2011

# FISCAL NOTE

Requested by Legislative Council  
01/20/2011

Bill/Resolution No.: SB 2150

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

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Expenditures</b>	\$0	\$0	\$84,587,099	\$15,338,000	\$114,068,247	\$15,338,000
<b>Appropriations</b>	\$0	\$0	\$84,587,099	\$15,338,000	\$114,068,247	\$15,338,000

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

2009-2011 Biennium			2011-2013 Biennium			2013-2015 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$99,293,599	\$0	\$0	\$128,774,747

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

SB 2150 is the K-12 funding and policy plan incorporating the recommendations from the ND Commission on Education Improvement.

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

The Department of Public Instruction appropriation bill SB 2013 adds \$196.7 million to the State school aid line item and \$5 million to the Transportation line item for formula payments to school districts. The total increase for the State School Aid line item is made up of \$94.3 million (identified below) plus \$85.6 million from Grants - Supplemental one-time and \$16.8 million supplemental operations line item transfers.

SB 2150 contains language for distributing the Grants - State school aid and Grants - Transportation line items.

State school aid line item: \$94.3 (in millions):

54.3 to continue the existing formula.

-2.4 for formula revisions.

2.5 to increase the formula weighting factor for Special Education.

7.5 for supplemental teacher-effectiveness compensation plan.

32.0 to increase the per student payment rate by \$100 each year.

.4 for regional education grants.

Transportation line item: \$5.0 to increase reimbursement rates.

The increases projected for the 2013-15 biennium are based on the cost to maintain the funding level established in the second year of the 2014-15 biennium.

Section 34 appropriates \$150,000 to the Department of Commerce to provide \$1,200 grants to individuals seeking a child development associate credential.

Section 35 provides authority to expend up to \$461,500 from the Grants - Other grants line item in SB 2013 for



contracting with a state wide educational organization to implement a principal mentorship program.

Section 36 appropriates \$20,000 to the Department for the purpose of reimbursing expenses incurred by the supplemental teacher-effectiveness compensation (STEC) review panel.

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

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

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

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

SB2013 State school aid: (Gen Fund) 78,993,599 (State Tuition Fund) 15,338,000  
SB 2013 Transportation: 5,000,000  
SB2013 Principal Mentoring: 461,500  
SB2150 STEC Review Panel: 20,000  
SB2150 Child Dev Cred: 150,000  
2011-13 Biennium Total: (Gen Fund) 84,587,099 (State Tuition Fund)15,338,000

State school aid: (Gen Fund) 108,436,747 (State Tuition Fund) 15,338,000  
Transportation: 5,000,000  
Principal Mentoring: 461,500  
STEC Review Panel: 20,000  
Child Dev Cred: 150,000  
2013-15 Biennium Total: (Gen Fund) 114,068,247 (State Tuition Fund) 15,338,000

<b>Name:</b>	Jerry Coleman	<b>Agency:</b>	Public Instruction
<b>Phone Number:</b>	328-4051	<b>Date Prepared:</b>	01/24/2011

11.0208.05010  
Title.

Prepared by the Legislative Council staff for  
Senator Flakoll

January 28, 2011

PROPOSED AMENDMENTS TO SENATE BILL NO. 2150

Page 6, line 3, remove "individual's"

Page 6, line 3, after "designee" insert "of a participating school district's board"

Renumber accordingly

#1  
Vote 1A



PROPOSED AMENDMENTS TO SENATE BILL NO. 2150

Page 1, line 12, after "payments" insert ", contingency payments"

Page 33, after line 25, insert:

**"SECTION 37. CONTINGENT MONEY.** If any money appropriated to the superintendent of public instruction for state aid payments to school districts remains after the superintendent complies with all statutory payment obligations imposed for the biennium beginning July 1, 2011, and ending June 30, 2013, the superintendent shall use the remaining moneys to provide additional per student payments on a prorated basis according to the latest available average daily membership of each school district."

Renumber accordingly

#2 Vote 1B



11.0208.05011  
Title.

Prepared by the Legislative Council staff for  
Senator Flakoll

January 28, 2011

PROPOSED AMENDMENTS TO SENATE BILL NO. 2150

Page 11, line 14, after "(3)" insert "American sign language:

(4)"

Page 11, line 15, replace "(4)" with "(5)"

Renumber accordingly

#3 SB 2150  
Vote 1C



January 26, 2011

PROPOSED AMENDMENTS TO SENATE BILL NO. 2150

Page 13, line 25, after "10." insert "a."

Page 13, line 26, after "examination" insert an underscored semicolon

Page 13, line 26, after "or" insert:

"b. Fulfills any one-half unit requirement set forth in subsections 1 through 7 of this section by means of"

Renumber accordingly

#4 attachment  
Vote 1-0





January 27, 2011

PROPOSED AMENDMENTS TO SENATE BILL NO. 2150

Page 1, line 13, after the first "grants" insert ", deferred maintenance and physical plant improvement grants"

Page 33, after line 20, insert:

**"SECTION 36. APPROPRIATION - SCHOOL DISTRICT - DEFERRED MAINTENANCE AND PHYSICAL PLANT IMPROVEMENT GRANTS.**

1. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$7,000,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of awarding to eligible school districts deferred maintenance and physical plant improvement grants, in accordance with the provisions of this section, for the biennium beginning July 1, 2011, and ending June 30, 2013.
2. If the office of management and budget determines by April 30, 2012, that the June 30, 2012, ending balance of the state general fund will be more than \$30,000,000 in excess of the amount predicted by the office of management and budget at the conclusion of the 2011 legislative session, the superintendent of public instruction shall forward to each eligible school district:
  - a. Ten thousand dollars; plus
  - b. The school district's pro rata share of the remaining appropriation, calculated by using the latest available average daily membership of each school district.
3. If the general fund balance requirements of subsection 2 are not met and if the office of management and budget determines by April 30, 2013, that the June 30, 2013, ending balance of the state general fund will be more than \$30,000,000 in excess of the amount predicted by the office of management and budget at the conclusion of the 2011 legislative session, the superintendent of public instruction shall forward to each eligible school district:
  - a. Ten thousand dollars; plus
  - b. The school district's pro rata share of the remaining appropriation, calculated by using the latest available average daily membership of each school district.
4. Each school district accepting funds under this section shall apply those funds toward deferred maintenance and physical plant improvements and shall, by June 30, 2014:
  - a. Submit to the superintendent of public instruction documentation indicating the appropriate expenditure of the funds; or

- b. Return the funds to the superintendent of public instruction for deposit in the general fund.
- 5. For purposes of this section, an "eligible school district" is a school district that:
  - a. Has a general fund levy equal to at least one hundred <sup>ten</sup>~~thirty~~ mills, before any reduction for property tax allocations under chapter 57-64;
  - b. Is not precluded from receiving state aid by the provisions of section 15.1-27-35.3; and
  - c. Provides an equal monetary match for any amount received under this section."

Renumber accordingly

#5 attachment



January 27, 2011

PROPOSED AMENDMENTS TO SENATE BILL NO. 2150

Page 1, line 6, after "15.1-09.1-02" insert ", 15.1-20-01"

Page 8, after line 10, insert:

**"SECTION 9. AMENDMENT.** Section 15.1-20-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-20-01. Compulsory attendance.**

1. a. Any person having responsibility for a child between the ages of seven and sixteen years shall ensure that the child is in attendance at a public school for the duration of each school year.
  - b. Beginning July 1, 2015, any person having responsibility for a child between the ages of seven and seventeen years shall ensure that the child is in attendance at a public school for the duration of each school year.
2. If a person enrolls a child of age six in a public school, the person shall ensure that the child is in attendance at the public school for the duration of each school year. The person may withdraw a child of age six from the public school. However, once the child is withdrawn, the person may not reenroll the child until the following school year. This subsection does not apply if the reason for the withdrawal is the child's relocation to another school district.
3. This section does not apply if a child is exempted under the provisions of section 15.1-20-02."

Renumber accordingly

#6 attachment  
Vote 1F  
Page No. 1



PROPOSED AMENDMENTS TO SENATE BILL NO. 2150

Page 1, line 12, after the second comma insert "a contingent transfer,"

Page 33, after line 25, insert:

**"SECTION 37. CONTINGENT TRANSFER BY BANK OF NORTH DAKOTA FOR SPECIAL EDUCATION.** If during the biennium beginning July 1, 2011, and ending June 30, 2013, the superintendent of public instruction determines that, using all available sources, there are insufficient funds with which to fully reimburse school districts for the excess costs of serving the one percent of special education students statewide who require the greatest school district expenditures in order to be provided with special education and related services, the industrial commission shall transfer from the earnings and accumulated and undivided profits of the Bank of North Dakota the amount the superintendent of public instruction certifies is necessary to provide the statutorily required level of reimbursement. The superintendent of public instruction shall file for introduction legislation requesting that the sixty-third legislative assembly return any amount transferred under this section to the Bank of North Dakota."

Renumber accordingly

#6 Attachment  
Vote 1-G





11.0208.05014  
Title.

Prepared by the Legislative Council staff for  
Senator Flakoll

January 28, 2011

PROPOSED AMENDMENTS TO SENATE BILL NO. 2150

Page 33, line 12, after the period insert "The department shall forward any grant awarded under this section directly to the institution of higher education at which the recipient is enrolled."

Renumber accordingly

#7  
SB 2150  
Vote 1-H  
Page No. 1

11.0208.05014



January 31, 2011

PROPOSED AMENDMENTS TO SENATE BILL NO. 2150

Page 1, line 2, replace "seven" with "eight"

Page 29, after line 29, insert:

"SECTION 29. A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Supplemental teacher-effectiveness compensation plan - Availability of payment.**

If a teacher is determined to be entitled to any supplemental compensation as a result of the supplemental teacher-effectiveness compensation plan, the school district shall forward the amount due to the teacher as a lump sum payment at the conclusion of the school calendar."

Renumber accordingly

#8 Attachment  
Vote 1-I

Date: 2-1-11  
 Roll Call Vote # I-I

**2011 SENATE STANDING COMMITTEE ROLL CALL VOTES**  
**BILL/RESOLUTION NO. 2150**

Senate Education Committee

Check here for Conference Committee

Legislative Council Amendment Number 11.0208.05019

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

Motion Made By Sen. Flakoll Seconded By Sen. Gary Lee

Senators	Yes	No	Senators	Yes	No
Chairman Layton Freborg	X		Senator Joan Heckaman		X
Vice Chair Donald Schaible		X	Senator Richard Marcellais	X	
Senator Tim Flakoll	X				
Senator Gary A. Lee	X				
Senator Larry Luick	X				

Total (Yes) 5 No 2

Absent 0

Floor Assignment \_\_\_\_\_

If the vote is on an amendment, briefly indicate intent:  
payment to teacher at the end of school yr.

January 31, 2011

PROPOSED AMENDMENTS TO SENATE BILL NO. 2150

Page 27, replace lines 22 and 23 with:

"c. Be based on defined and measurable standards that are easily communicable and readily comprehensible and which are applied with a specified frequency throughout the school calendar; and"

Renumber accordingly



11.0208.05013  
Title.

Prepared by the Legislative Council staff for  
Senator Flakoll

January 28, 2011

PROPOSED AMENDMENTS TO SENATE BILL NO. 2150

Page 27, line 21, replace "including" with "and specifically."

Renumber accordingly





February 1, 2011

PROPOSED AMENDMENTS TO SENATE BILL NO. 2150

Page 16, replace lines 6 through 8 with:

- "3. Each school district shall notify its high school students that, upon request, a student is entitled to receive a consultative review of the student's individual high school education plan at least once during each high school grade. Upon the request of a student, the school district shall provide the consultative review."

Renumber accordingly

# 14 SB 2150  
Vote 1-M



February 1, 2011

PROPOSED AMENDMENTS TO SENATE BILL NO. 2150

Page 1, line 11, remove "and"

Page 1, line 13, after "grants" insert "; and to provide for kindergarten impact reports"

Page 33, after line 25, insert:

**"SECTION 37. ALL-DAY KINDERGARTEN - IMPACT REPORT.** Before December thirty-first of each year, each school district that provided full-day kindergarten during the previous school year shall file a report with the superintendent of public instruction indicating the nature and extent of any measurable academic growth experienced by the students who were enrolled in the program."

Renumber accordingly

*with a sunset clause of June 30, 2013*

*#15*

Date: 2-2-11  
Roll Call Vote # 1-m

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2150

Senate Education Committee

Check here for Conference Committee

Legislative Council Amendment Number 11.0208.05021

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

Motion Made By Sen. Flakoll Seconded By Sen. Luick

Senators	Yes	No	Senators	Yes	No
Chairman Layton Freborg	X		Senator Joan Heckaman		X
Vice Chair Donald Schaible	X		Senator Richard Marcellais		X
Senator Tim Flakoll	X				
Senator Gary A. Lee	X				
Senator Larry Luick	X				

Total (Yes) 5 No 2

Absent 0

Floor Assignment \_\_\_\_\_

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

*All Day Kindergarten - Impact Report  
add sunset clause of June 30, 2013*

Section 5

Page 7, line 3, after "receive" strike "compensation in the amount of one hundred thirty-five dollars per day plus"

#16 Vote 1-N

Date: 2-2-11  
 Roll Call Vote # 1-N

**2011 SENATE STANDING COMMITTEE ROLL CALL VOTES**  
**BILL/RESOLUTION NO. 2150**

Senate Education Committee

Check here for Conference Committee

Legislative Council Amendment Number Flakoll amendment #4

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

Motion Made By Sen. Flakoll Seconded By Sen. Gary Lee

Senators	Yes	No	Senators	Yes	No
Chairman Layton Freborg	X		Senator Joan Heckaman	X	
Vice Chair Donald Schaible	X		Senator Richard Marcellais	X	
Senator Tim Flakoll	X				
Senator Gary A. Lee	X				
Senator Larry Luick	X				

Total (Yes) 7 No 0

Absent 0

Floor Assignment \_\_\_\_\_

If the vote is on an amendment, briefly indicate intent:  
Section 5 - remove \$135 day compensation (per diem)

February 1, 2011

PROPOSED AMENDMENTS TO SENATE BILL NO. 2150

Page 1, line 6, after "15.1-09.1-02" insert ", 15.1-20-01"

Page 1, line 7, after "15.1-21-19" insert ", 15.1-22-01"

Page 1, line 9, after "assessments" insert ", kindergartens"

Page 8, after line 10, insert:

**"SECTION 9. AMENDMENT.** Section 15.1-20-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-20-01. Compulsory attendance.**

A student's formal schooling must begin with a kindergarten program that meets the requirements of section 15.1-22-02 and must include all other grades from one through twelve.

1. Any person having responsibility for a child between the ages of ~~seven~~<sup>17</sup> ~~six~~<sup>ys.</sup> and ~~sixteen~~ years shall ensure that the child is in attendance at a public school for the duration of each school year.
2. If a person enrolls a child of age ~~six~~<sup>five</sup> in a public school, the person shall ensure that the child is in attendance at the public school for the duration of each school year. The person may withdraw a child of age ~~six~~<sup>five</sup> from the public school. However, once the child is withdrawn, the person may not reenroll the child until the following school year. This subsection does not apply if the reason for the withdrawal is the child's relocation to another school district.
3. This section does not apply if a child is exempted under the provisions of section 15.1-20-02."

Page 17, after line 7, insert:

**"SECTION 19. AMENDMENT.** Section 15.1-22-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-22-01. Kindergarten - Establishment by board - Request by parent - Levy.**

1. ~~Upon its own motion, the~~The board of a school district ~~may~~shall establish a free public kindergarten.
2. ~~If the board receives a written request to provide kindergarten from the parent of a student who will be enrolled in the kindergarten, the~~The board shall either provide at least a half-day kindergarten program for ~~the student~~any student enrolled in the district or pay the tuition required for the student to attend at least a half-day kindergarten program in another school district.

#17 Vote 1-0

3. The board of a school district ~~that establishes a kindergarten under this section~~ may levy a tax pursuant to subdivision p of subsection 1 of section 57-15-14.2."

Renumber accordingly

#17





February 2, 2011

PROPOSED AMENDMENTS TO SENATE BILL NO. 2150

Page 28, line 7, remove "and"

Page 28, line 8, after "association" insert "; and

e. The chairman of the legislative management or the chairman's  
designee"

Renumber accordingly

*^ shall serve as chair of the ~~committee~~  
panel*

*#18 attachment*



PROPOSED AMENDMENTS TO SENATE BILL NO. 2150

Page 1, line 7, remove "and"

Page 1, line 7, after "15.1-27-35.3" insert ", and 15.1-37-01"

Page 1, line 9, after the fourth comma insert "early childhood education programs,"

Page 30, after line 4, insert:

**"SECTION 30. AMENDMENT.** Section 15.1-37-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-37-01. Early childhood education program - Approval.**

Any person or school district operating an early childhood education program may request approval of the program from the superintendent of public instruction. The superintendent shall approve an early childhood education program if the program:

1. Is taught by individuals who are licensed to teach in early childhood education by the education standards and practices board or approved to teach in early childhood education by the education standards and practices board;
2. Follows a developmentally appropriate curriculum; ~~and~~
3. Is in compliance with all municipal and state health, fire, and safety requirements.

~~Per student funding will not be provided to individuals or school districts offering a prekindergarten program; and~~

4. Limits its enrollment to children who have reached the age of four before August first of the year of enrollment."

Page 33, after line 25, insert:

**"SECTION 38. APPROPRIATION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,500,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of providing grants to four school districts offering early childhood education programs, for the biennium beginning July 1, 2011, and ending June 30, 2013. The superintendent of public instruction shall distribute the grants during the second year of the biennium, according to the number of students each school district has in approved early childhood education programs. The grant payment per student may not exceed fifty percent of the per student payment rate established in section 15.1-27-04. The superintendent of public instruction may use up to \$50,000 of the amount appropriated by this section to cover administrative costs and monitoring expenses incurred as a result of the program."

Renumber accordingly



Page 28, line, 9 insert "f. A private sector individual with extensive human resources experience appointed by the chair of legislative management."

Date: 2-2-11  
 Roll Call Vote # 1-B

**2011 SENATE STANDING COMMITTEE ROLL CALL VOTES**  
**BILL/RESOLUTION NO. 2150**

Senate Education Committee

Check here for Conference Committee

Legislative Council Amendment Number Flakoll Amendment #5

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

Motion Made By Sen. Flakoll Seconded By Sen. Gary Lee

Senators	Yes	No	Senators	Yes	No
Chairman Layton Freborg	X		Senator Joan Heckaman		X
Vice Chair Donald Schaible	X		Senator Richard Marcellais		X
Senator Tim Flakoll	X				
Senator Gary A. Lee	X				
Senator Larry Luick	X				

Total (Yes) 5 No 2

Absent 0

Floor Assignment \_\_\_\_\_

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

*add "a private sector individual w/extensive human resources experience appointed by the chair of legislative management."*

February 2, 2011

PROPOSED AMENDMENTS TO SENATE BILL NO. 2150

Page 14, overstrike lines 2 through 7 and insert immediately thereafter:

- "1. If a student is determined by the superintendent of public instruction to have met the requirements for a North Dakota career and technical education scholarship or a North Dakota academic scholarship, the student is eligible to receive:
- a. At the beginning of the student's first year of higher education, a scholarship in the amount of one thousand five hundred dollars, provided the student is enrolled full time at an accredited institution of higher education in this state; and
- b. At the beginning of the semester marking the student's second year of higher education and each semester thereafter, a scholarship in the amount of seven hundred fifty dollars, provided that during the immediately preceding semester the student:
- (1) Maintained a cumulative grade point average of 2.75; and
- (2) Maintained enrollment, throughout the semester, in a minimum of fifteen units.
2. If at the conclusion of the first semester of the student's first year the state board of higher education determines that the student was unable to maintain a grade point average of 2.75, the board shall forward a letter of warning to the student and articulate the consequences with respect to the student's continued eligibility for a scholarship.
3. If at the conclusion of the student's first year, or any semester thereafter, a student has failed to meet the requirements for a scholarship, as set forth in subdivision b of subsection 1, the student, at the conclusion of the ensuing semester, may apply to the state board of higher education for reinstatement of the scholarship, provided the student can demonstrate compliance with the requirements of subdivision b of subsection 1. However, if a student fails to meet the requirements of subdivision b of subsection 1 for a second time, that student may not receive any additional scholarships under this section."

Page 14, line 8, overstrike "2." and insert immediately thereafter "4."

Page 14, line 8, after "dollars" insert "in scholarships"

Page 14, line 9, overstrike "3." and insert immediately thereafter "5."

Page 14, line 9, overstrike "the scholarship" and insert immediately thereafter "all scholarships under this section"

Page 14, line 11, overstrike "4." and insert immediately thereafter "6."

Page 14, line 14, overstrike "5." and insert immediately thereafter "7."

(#21) SB2150  
Vote 1-5



Page 14, replace lines 17 through 21 with:

"8. The state board of higher education shall monitor each scholarship recipient to ensure that the student meets the academic and other requirements of this section. Upon determining that a recipient student has failed to meet the requirements of this section, the board shall provide notification to the student within five days."

Renumber accordingly

(#21) SB2150  
Vote 1-5



February 5, 2011

PROPOSED AMENDMENTS TO SENATE BILL NO. 2150

Page 33, after line 25, insert:

**"SECTION 37. FEDERAL EDUCATION JOBS FUND PROGRAM GRANTS -  
ALLOWABLE USES.**

1. Federal education jobs fund program grants distributed to school districts may be used only for:
  - a. The improvement, renovation, repair, or modernization of school buildings and facilities, including deferred maintenance; weatherization; heating, ventilation, and cooling projects; asbestos removal and abatement; security improvements; and laboratory improvements provided that the projects meet the approval requirements of section 15.1-36-01;
  - b. Building additions, provided the additions do not exceed twenty-five percent of the square footage of the building to which they are to be attached and further provided that the additions meet the approval requirements of section 15.1-36-01;
  - c. Equipment, including technological equipment, career and technical education equipment, vehicles for instructional purposes, and vehicles for student transportation;
  - d. Textbooks, instructional materials, and library media materials;
  - e. Title I expenditures; and
  - f. Professional development for teachers and administrators.
2. Each school district expending federal education jobs fund program grants shall file a report with the superintendent of public instruction, at the time and in the manner directed by the superintendent. The report must include a description of all expenditures, obligations, or other commitments made as a result of receiving a federal education jobs fund program grant. The superintendent shall compile the information and present it to the legislative council."

Renumber accordingly

#22 Vote 1-T

Date: 2-2-11  
 Roll Call Vote # 1-7

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES  
 BILL/RESOLUTION NO. 2150

Senate Education Committee

Check here for Conference Committee

Legislative Council Amendment Number 11.0208.05035

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

Motion Made By Sen. Flakoll Seconded By Sen. Luick

Senators	Yes	No	Senators	Yes	No
Chairman Layton Freborg	X		Senator Joan Heckaman	X	
Vice Chair Donald Schaible	X		Senator Richard Marcellais	X	
Senator Tim Flakoll	X				
Senator Gary A. Lee	X				
Senator Larry Luick	X				

Total (Yes) 7 No 0

Absent 0

Floor Assignment \_\_\_\_\_

If the vote is on an amendment, briefly indicate intent:  
Allowable uses - Federal Educ. Jobs Fund Program  
Grant uses.

Section 32

PROPOSED AMENDMENTS TO SENATE BILL NO. 2150

Page 32, line 4, remove "equity payments,"

Page 32, remove line 5

Page 32, line 6, replace "and the data collection payments" with "the following"

Page 32, line 6, after "total" insert ":

- (1) Contingent distributions;
- (2) Cross-border attendance moneys;
- (3) Deferred maintenance and physical plant improvement grants;
- (4) Equity payments;
- (5) Federal education jobs fund program moneys;
- (6) Home-based education program monitoring moneys;
- (7) Mill levy reduction payments;
- (8) PowerSchool acquisition, implementation, and utilization moneys;
- (9) Regional education association moneys and grants; and
- (10) Transportation payments"

Renumber accordingly

#23 Vote 1-U



January 31, 2011

*Section 19*

PROPOSED AMENDMENTS TO SENATE BILL NO. 2150

Page 21, line 5, replace "eight" with "nine"

Page 21, line 5, replace "seventy-nine" with "twenty-nine"

Page 21, line 7, overstrike "seventy-nine" and insert immediately thereafter "twenty-nine"

Renumber accordingly

*Further amended: \$3950 for 2011-2012  
3950 for 2012-2013*

*# 24 Vote 1-V*





February 2, 2011

PROPOSED AMENDMENTS TO SENATE BILL NO. 2150

Page 1, line 11, remove "and"

Page 1, line 12, remove ", principal"

Page 1, line 13, remove "mentorship grants,"

Page 1, line 13, after the second "grants" insert "; and to provide an effective date"

Page 20, after line 31, insert:

**"SECTION 19. AMENDMENT.** Section 15.1-27-03.1 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-03.1. Weighted average daily membership - Determination.**

1. For each school district, the superintendent of public instruction shall multiply by:
  - a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;
  - b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;
  - c. 0.60 the number of full-time equivalent students enrolled in a summer education program;
  - d. 0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;
  - e. 0.30 the number of full-time equivalent students who ~~are~~
    - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and placed in the first of six categories of proficiency; and are
    - (2) Are enrolled in a program of instruction for English language learners;
  - f. 0.25 the number of full-time equivalent students enrolled in an alternative high school;
  - g. ~~0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
  - h. ~~0.25 the number of full-time equivalent students enrolled in an isolated high school;~~
  - i. 0.25 the number of full-time equivalent students in grades six through eight enrolled in an alternative education program for at least an average of fifteen hours per week;

- h. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;
- j.i. 0.20 the number of full-time equivalent students who ~~are~~:
  - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be ~~not~~more proficient than students placed in the first of six categories of proficiency and therefore placed in the second of six categories of proficiency; and ~~are~~
  - (2) Are enrolled in a program of instruction for English language learners;
- k.j. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;
- k. 0.10 the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average daily membership and the district consists of an area greater than two hundred seventy-five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students in average daily membership must be deemed to have an enrollment equal to fifty students in average daily membership;
- l. ~~0.070~~.073 the number of students enrolled in average daily membership, in order to support the provision of special education services;
- m. 0.07 the number of full-time equivalent students who ~~are~~:
  - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be ~~somewhat~~more proficient than students placed in the second of six categories of proficiency and therefore placed in the third of six categories of proficiency; and ~~are~~
  - (2) Are enrolled in a program of instruction for English language learners;
- n. 0.06 the number of full-time equivalent students instructed by teachers participating in a supplemental teacher-effectiveness compensation plan in accordance with this Act;
- o. 0.025 the number of students representing that percentage of the total number of students in average daily membership which is equivalent to the three-year average percentage of students in grades three through eight who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.];
- o.p. 0.006 the number of students enrolled in average daily membership in each public school in the district that:
  - (1) Has acquired and is utilizing the PowerSchool student information system;

(2) Has acquired and is in the process of implementing the PowerSchool student information system; or

(3) Will acquire the PowerSchool student information system during the current school year, provided the acquisition is contractually demonstrated; and

q. 0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; ~~and~~

p. ~~0.002 the number of students enrolled in average daily membership, in order to support technology.~~

2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership."

Page 33, replace lines 13 through 20 with:

**"SECTION 36. APPROPRIATION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$460,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of providing payments to eligible school districts that offer alternative education programs to students in grades six through eight, for the biennium beginning July 1, 2011, and ending June 30, 2013. In order to determine the payment per student, the superintendent of public instruction shall multiply the number of full-time equivalent students in grades six through eight who are enrolled during the 2012-13 school year in an average of at least fifteen hours per week of alternative education programming by a weighting factor that may not exceed 0.20."

Page 33, after line 26, insert:

**"SECTION 39. EFFECTIVE DATE.** Section 19 becomes effective on July 1, 2013."

*1. i.*

Renumber accordingly



February 1, 2011

*section 2*

PROPOSED AMENDMENTS TO SENATE BILL NO. 2150

Page 2, after line 24, insert:

"1."

Page 2, line 27, replace "1." with "a."

Page 2, line 29, replace "2." with "b."

Page 2, line 29, after "the" insert "early childhood education"

Page 2, line 30, replace "3." with "c."

Page 2, line 31, replace "4." with "d."

Page 2, after line 31, insert:

"2. For purposes of this section, state moneys specifically appropriated for an early childhood program are separate and distinct from those appropriated for special education early childhood programs, school readiness and parent education programs, and state aid for elementary and secondary education."

Renumber accordingly

*#26 Vote 1-X*



February 7, 2011

PROPOSED AMENDMENTS TO SENATE BILL NO. 2150

Page 20, line 5, remove "than"

Page 20, remove line 6

Page 20, line 7, remove "placed in the third of six categories of proficiency;"

Page 20, line 7, overstrike "and"

Page 20, line 7, after "are" insert "than students placed in the second of six categories of proficiency and therefore placed in the third of six categories of proficiency;"

Page 20, line 8, after the semicolon insert "and

(3) Have not been in the third of six categories of proficiency for more than three years;"

Renumber accordingly

# 23 Vote 1-4





PROPOSED AMENDMENTS TO SENATE BILL NO. 2150

Page 1, line 7, remove "and"

Page 1, line 7, after "15.1-27-35.3" insert ", and 15.1-37-01"

Page 1, line 9, remove "and"

Page 1, line 9, after "aid" insert ", and age of admission"

Page 30, after line 4 insert:

**"SECTION 30. AMENDMENT.** Section 15.1-37-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-37-01. Early childhood education program - Approval.**

1. Any person or school district operating an early childhood education program may request approval of the program from the superintendent of public instruction. The superintendent shall approve an early childhood education program if the program:
  4. a. Is taught by individuals who are licensed to teach in early childhood education by the education standards and practices board;
  2. b. Follows a developmentally appropriate curriculum; and
  3. c. Is in compliance with all municipal and state health, fire, and safety requirements; and
  - d. Limits its enrollment to children who have reached the age of four before August first of the year of enrollment.
2. Per student funding will not be provided to individuals or school districts offering a ~~prekindergarten~~ early childhood education program."

Renumber accordingly

*a*

#29 Vote 1-7



PROPOSED AMENDMENTS TO SENATE BILL NO. 2150

Page 2, after line 24, insert:

"1."

Page 2, line 27, replace "1." with "a."

Page 2, line 29, replace "2." with "b."

Page 2, line 29, after "the" insert "early childhood education"

Page 2, line 30, replace "3." with "c."

Page 2, line 31, replace "4." with "d."

Page 2, after line 31, insert:

"2. For purposes of this section, state moneys specifically appropriated for an early childhood program are separate and distinct from those appropriated for special education early childhood programs, school readiness and parent education programs, and state aid for elementary and secondary education."

Renumber accordingly

pg 30 section 33  
Add "Capable of significantly  
improving student performance."

#30 Vote 1-AA

Date: 2-8-11  
 Roll Call Vote # 1-AA

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES  
 BILL/RESOLUTION NO. 2150

Senate Education Committee

Check here for Conference Committee

Legislative Council Amendment Number handwritten amend. on 11.0208. 05023

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

Motion Made By Sen. Flakoll Seconded By Sen. B. Lee

Senators	Yes	No	Senators	Yes	No
Chairman Layton Freborg	X		Senator Joan Heckaman	X	
Vice Chair Donald Schaible	X		Senator Richard Marcellais	X	
Senator Tim Flakoll	X				
Senator Gary A. Lee	X				
Senator Larry Luick	X				

Total (Yes) 7 No 0

Absent 0

Floor Assignment \_\_\_\_\_

If the vote is on an amendment, briefly indicate intent:  
Add pg 30, Section 33 - Capable of significantl improving student performance.

Date: 2-9-11  
Roll Call Vote # 1-BB

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2150

Senate Education Committee

Check here for Conference Committee

Legislative Council Amendment Number remove All Teacher Comp Sections

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

Motion Made By Sen. Flakoll Seconded By Sen. Gary Lee

Senators	Yes	No	Senators	Yes	No
Chairman Layton Freborg	X		Senator Joan Heckaman	X	
Vice Chair Donald Schaible	X		Senator Richard Marcellais	X	
Senator Tim Flakoll	X				
Senator Gary A. Lee	X				
Senator Larry Luick		X			

Total (Yes) 6 No 1

Absent 0

Floor Assignment \_\_\_\_\_

If the vote is on an amendment, briefly indicate intent:  
Remove all sections relating to Alternative Teacher Compensation to SB 2150

February 7, 2011

Marked-up  
Copy

PROPOSED AMENDMENTS TO SENATE BILL NO. 2150

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 15.1-09.1, a new section to chapter 15.1-18.2, and two new sections to chapter 15.1-21 of the North Dakota Century Code, relating to regional education associations, the professional development advisory committee, and North Dakota scholarships; to amend and reenact sections 15.1-07-33, 15.1-09-58, 15.1-09.1-02, 15.1-20-01, 15.1-21-02.1, 15.1-21-02.4, 15.1-21-02.5, 15.1-21-02.6, 15.1-21-08, 15.1-21-18, 15.1-21-19, 15.1-22-01, 15.1-27-03.1, 15.1-27-04, 15.1-27-07.2, 15.1-27-11, and 15.1-27-35.3 of the North Dakota Century Code, relating to technology, regional education associations, curriculum requirements, assessments, scholarships, student consultations, compulsory attendance, and state aid; to repeal section 15.1-27-15 of the North Dakota Century Code, relating to isolated schools; to provide an appropriation; to provide a continuing appropriation; to provide for compensation increases, transition payments, contingent payments, and the distribution of transportation grants and regional education association grants; to provide for a legislative management study and reports; and to provide an effective date.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. AMENDMENT.** Section 15.1-07-33 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-07-33. Student information system - Statewide coordination -  
Financial support - Exemption.**

1. Notwithstanding any other technology requirements imposed by the superintendent of public instruction, the information technology department, or the North Dakota educational technology council, each school district shall acquire PowerSchool through the information technology department and use it as its principal student information system.

2. The superintendent of public instruction shall forward that portion of a school district's state aid which is payable by the superintendent under subdivision n of subsection 1 of section 15.1-27-03.1 directly to the information technology department to reimburse the department for the cost of the school district's acquisition, implementation, or utilization of PowerSchool and any related technology support services. The superintendent shall forward the amount payable under this subsection at the same time and in the same manner as provided for other state aid payments under section 15.1-27-01.

3. If the portion of a school district's state aid forwarded to the information technology department under subsection 2 exceeds the cost incurred by the information technology department in providing for the school district's acquisition, implementation, or utilization of PowerSchool and any related

technology support services, the information technology department shall return the excess moneys to the superintendent of public instruction for redistribution to the school district as per student payments.

4. The superintendent of public instruction may exempt a school district from having to acquire and utilize PowerSchool if the school district demonstrates that, in accordance with requirements of the bureau of Indian education, the district has acquired and is utilizing a student information system that is determined to be comparable by the superintendent.

**SECTION 2. AMENDMENT.** Section 15.1-09-58 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-09-58. ~~Prekindergarten program~~ Early childhood education - Authorization - Support.**

The board of a school district may establish ~~a prekindergarten~~ an early childhood education program and may ~~receive and expend any state~~ support that program with:

1. Local tax revenues, other than those necessary to support the district's kindergarten program and the provision of elementary and high school educational services;
2. State moneys specifically appropriated for the program, any federal;
3. Federal funds specifically appropriated or approved for the program, and any gifts, and
4. Gifts, grants, and donations specifically given for the program.

**SECTION 3. AMENDMENT.** Section 15.1-09.1-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-09.1-02. Regional education association - Joint powers agreement - Review by superintendent of public instruction - Criteria.**

~~Before~~ In order for a group of school districts ~~may~~ to be designated as a regional education association, the superintendent of public instruction shall review the joint powers agreement that the districts have entered and verify that: the requirements of this section have been met.

1. The school districts must:
  - a. Have a combined total land mass of at least five thousand eight hundred square miles [1502193 hectares];
  - b. (1) Have a combined total land mass of at least four thousand five hundred square miles [1165494 hectares]; and  
(2) Number at least twelve;
  - c. (1) Have a combined total land mass of at least four thousand square miles [1035995 hectares]; and

- (2) Have at least three thousand students in average daily membership; or
  - d. (1) Have a combined total land mass of at least one thousand five hundred square miles [388498 hectares]; and
  - (2) Have at least seven thousand five hundred students in average daily membership.
2. The school districts ~~are~~must be contiguous to each other or, if the districts are not contiguous to each other, the superintendent of public instruction shall verify that the participating districts can provide sound educational opportunities to their students in a fiscally responsible manner without injuring other school districts or regional education associations and without negatively impacting the ability of other school districts or regional education associations to provide sound educational opportunities to their students in a fiscally responsible manner. A decision by the superintendent of public instruction under this subsection may be appealed to the state board of public school education. A decision by the state board is final.
3. The joint powers agreement ~~requires~~must require that the participating school districts maintain a joint operating fund ~~and share various administrative functions and student services in accordance with subsection 4.~~
4. a. ~~During the first two school years in which a regional education association is operational, each participating school district shall share in at least two administrative functions and two student services, selected by the district.~~
- ~~b. During the third and fourth school years in which a regional education association is operational, each participating school district shall share in at least three administrative functions and three student services, selected by the district.~~
- ~~c. During the fifth school year in which a regional education association is operational, and each year thereafter, each participating school district shall share at least five administrative functions and five student services, selected by the district.~~
- ~~d. For purposes of this subsection:~~
- ~~(1) "Administrative functions" means:~~
    - ~~(a) Business management;~~
    - ~~(b) Career and technical education services management;~~
    - ~~(c) Curriculum mapping or development;~~
    - ~~(d) Data analysis;~~
    - ~~(e) Federal program support;~~
    - ~~(f) Federal title program management;~~
    - ~~(g) Grant writing;~~
    - ~~(h) School improvement;~~



- ~~(i) School safety and environment management;~~
- ~~(j) Special education services management;~~
- ~~(k) Staff development;~~
- ~~(l) Staff retention and recruitment;~~
- ~~(m) Staff sharing;~~
- ~~(n) Technology support; and~~
- ~~(o) Any other functions approved by the superintendent of public instruction.~~

~~(2) "Student services" means:~~

- ~~(a) Advanced placement classes;~~
- ~~(b) Alternative high schools or alternative high school programs;~~
- ~~(c) Career and technical education classes;~~
- ~~(d) Counseling services;~~
- ~~(e) Common elementary curricula;~~
- ~~(f) Distance learning classes;~~
- ~~(g) Dual credit classes;~~
- ~~(h) Foreign language classes;~~
- ~~(i) Library and media services;~~
- ~~(j) Summer programs;~~
- ~~(k) Supplemental instruction programs; and~~
- ~~(l) Any other services approved by the superintendent of public instruction.~~

~~e. For purposes of this subsection, if a regional education association became operational before July 1, 2005, the 2005-06 school year must be considered the provider's first year of operation.~~

~~5. The joint powers agreement provides must provide:~~

- a. Criteria for the future participation of school districts that were not parties to the original joint powers agreement;
- b. An application process by which school districts that were not parties to the original joint powers agreement can become participating districts; and
- c. A process by which school districts that were not parties to the original joint powers agreement and whose application to participate in the agreement was denied can appeal the decision to the superintendent of public instruction.

- 6.5. The joint powers agreement ~~provides~~must provide for the employment and compensation of staff.
- 7.6. The joint powers agreement must:
- a. ~~Establishes~~Establish the number of members on the governing board;
  - b. ~~Establishes~~Establish the manner in which members of the governing board are determined;
  - c. ~~Requires all members~~Require that each member of the governing board ~~or their designees to be individuals~~be an individual currently serving on the board of a participating school district ~~or the designee of a participating school district's board~~; and
  - d. ~~Allows~~Allow for the inclusion of ex officio nonvoting members on the governing board.
- 8.7. The joint powers agreement ~~provides~~must provide that the board of the regional education association shall meet at least quarterly.
- 9.8. The joint powers agreement ~~does~~may not permit the regional education association to compensate members of the regional education association board for attending meetings of the board and does not permit the regional education association to reimburse members of the board for any expenses incurred in attending meetings of the board.

.05010

**SECTION 4.** A new section to chapter 15.1-09.1 of the North Dakota Century Code is created and enacted as follows:

**Regional education association - Services to be offered.**

1. In order to be eligible for state funding, a regional education association must offer the following services to its member districts:
  - a. Coordination and facilitation of professional development activities for teachers and administrators employed by its member districts;
  - b. Supplementation of technology support services;
  - c. Assistance with achieving school improvement goals identified by the superintendent of public instruction;
  - d. Assistance with the collection, analysis, and interpretation of student achievement data; and
  - e. Assistance with the expansion and enrichment of curricular offerings.
2. Subsection 1 does not preclude a regional education association from offering additional services to its member districts.

**SECTION 5.** A new section to chapter 15.1-18.2 of the North Dakota Century Code is created and enacted as follows:

Professional development advisory committee - Compensation of members.

Each member of the professional development advisory committee is entitled to receive reimbursement for expenses as provided by law for state officers if the member is attending meetings or performing duties directed by the committee.

**SECTION 6. AMENDMENT.** Section 15.1-20-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-20-01. Compulsory attendance.**

A student's formal schooling must begin with a kindergarten program that meets the requirements of section 15.1-22-02 and must include all other grades from one through twelve.

1. a. Any person having responsibility for a child between the ages of seven~~six~~ and sixteen years shall ensure that the child is in attendance at a public school for the duration of each school year.
- b. Beginning July 1, 2015, any person having responsibility for a child between the ages of six and seventeen years shall ensure that the child is in attendance at a public school for the duration of each school year.
2. If a person enrolls a child of age ~~six~~five in a public school, the person shall ensure that the child is in attendance at the public school for the duration of each school year. The person may withdraw a child of age ~~six~~five from the public school. However, once the child is withdrawn, the person may not reenroll the child until the following school year. This subsection does not apply if the reason for the withdrawal is the child's relocation to another school district.
3. This section does not apply if a child is exempted under the provisions of section 15.1-20-02.

**SECTION 7. AMENDMENT.** Section 15.1-21-02.1 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.1. High school graduation ~~Diploma~~ diploma - Minimum requirements.**

Except as provided in section 15.1-21-02.3, before a school district, a nonpublic high school, or the center for distance education issues a high school diploma to a student, the student must have successfully completed ~~the following twenty-two units of high school coursework:~~

- ~~1. Four units of English language arts from a sequence that includes literature, composition, and speech;~~
- ~~2. Three units of mathematics;~~
- ~~3. Three units of science, including:~~
  - ~~a. One unit of physical science;~~

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- ~~b. One unit of biology; and~~
- ~~c. (1) One unit of any other science; or~~
- ~~(2) Two one-half units of any other science;~~
- ~~4. Three units of social studies, including:~~
  - ~~a. One unit of United States history;~~
  - ~~b. (1) One-half unit of United States government and one-half unit of economics; or~~
  - ~~(2) One unit of problems of democracy; and~~
  - ~~c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;~~
- ~~5. a. One unit of physical education; or~~
- ~~b. One-half unit of physical education and one-half unit of health;~~
- ~~6. Three units of:~~
  - ~~a. Foreign languages;~~
  - ~~b. Native American languages;~~
  - ~~c. Fine arts; or~~
  - ~~d. Career and technical education courses; and~~
- ~~7. Any five additional units:~~
  - ~~1. The twenty-two units of high school coursework set forth in section 8 of this Act; and~~
  - ~~2. Any additional units of high school coursework required by the issuing entity.~~

**SECTION 8.** A new section to chapter 15.1-21 of the North Dakota Century Code is created and enacted as follows:

**High school graduation - Minimum requirements.**

Except as provided in section 15.1-21-02.3, the following twenty-two units of high school coursework constitute the minimum requirement for high school graduation:

- ~~1. Four units of English language arts from a sequence that includes literature, composition, and speech;~~
- ~~2. Three units of mathematics;~~
- ~~3. Three units of science, including:~~
  - ~~a. One unit of physical science;~~

- \_\_\_\_\_ b. One unit of biology; and
- \_\_\_\_\_ c. (1) One unit of any other science; or
- \_\_\_\_\_ (2) Two one-half units of any other science;
- \_\_\_\_\_ 4. Three units of social studies, including:
  - \_\_\_\_\_ a. One unit of United States history;
  - \_\_\_\_\_ b. (1) One-half unit of United States government and one-half unit of economics; or
  - \_\_\_\_\_ (2) One unit of problems of democracy; and
  - \_\_\_\_\_ c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;
- \_\_\_\_\_ 5. a. One unit of physical education; or
- \_\_\_\_\_ b. One-half unit of physical education and one-half unit of health;
- \_\_\_\_\_ 6. Three units of:
  - \_\_\_\_\_ a. Foreign languages;
  - \_\_\_\_\_ b. Native American languages;
  - \_\_\_\_\_ c. Fine arts; or
  - \_\_\_\_\_ d. Career and technical education courses; and
- \_\_\_\_\_ 7. Any five additional units.

**SECTION 9. AMENDMENT.** Section 15.1-21-02.4 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.4. North Dakota career and technical education scholarship.**

Any resident student who graduates from a high school during or after the 2010-11 school year is eligible to receive a North Dakota career and technical education scholarship provided the student ~~completes all requirements set forth in subsections 1 through 5 and subsection 7 of section 15.1-21-02.1 for a high school diploma and:~~

- \_\_\_\_\_ 1. Completed four units of English language arts from a sequence that includes literature, composition, and speech;
- \_\_\_\_\_ 2. Completed three units of mathematics, including:
  - \_\_\_\_\_ a. ~~Completes one~~One unit of algebra II, as defined by the superintendent of public instruction, ~~in fulfillment of the mathematics requirement set forth in subsection 2 of section 15.1-21-02.1; and~~
  - \_\_\_\_\_ b. ~~Completes two~~Two units of any other mathematics;
- \_\_\_\_\_ 3. Completed three units of science, including:



- (2) Obtained a grade of at least "C" in each unit or one-half unit;  
and

4.9. ~~Receives~~Received:

- a. A composite score of at least twenty-four on an ACT; or
- b. A score of at least five on each of three WorkKeys assessments recommended by the department of career and technical education and approved by the superintendent of public instruction.

**SECTION 10. AMENDMENT.** Section 15.1-21-02.5 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.5. North Dakota academic scholarship.**

Any resident student who graduates from a high school during or after the 2010-11 school year is eligible to receive a North Dakota academic scholarship provided the student ~~completes all requirements set forth in subsections 1 through 5 and subsection 7 of section 15.1-21-02.1 for a high school diploma and:~~

1. Completed four units of English language arts from a sequence that includes literature, composition, and speech;

2. Completed three units of mathematics, including:

- ~~Completes one~~One unit of algebra II, as defined by the superintendent of public instruction, ~~in fulfillment of the mathematics requirement set forth in subsection 2 of section 15.1-21-02.1; and~~
- ~~Completes one~~One additional unit of mathematics for which algebra II, as defined by the superintendent of public instruction, is a prerequisite; ~~and~~

- ~~e.~~3. Completed three units of science, including:

- a. One unit of physical science;

- b. One unit of biology; and

- c. (1) One unit of any other science; or

- (2) Two one-half units of any other science;

4. Completed three units of social studies, including:

- a. One unit of United States history;

- b. (1) One-half unit of United States government and one-half unit of economics; or

- (2) One unit of problems of democracy; and

- c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;

5. a. Completed one unit of physical education; or

- ~~b. One-half unit of physical education and one-half unit of health;~~
- ~~6. a. Completed:~~
- ~~(1) Two units of the same foreign or native American language;~~
- ~~(2) One unit of fine arts or career and technical education American sign language; and~~
- ~~(3)b. One unit of a foreign or native selected from:~~
- ~~(1) Foreign languages;~~
- ~~(2) Native American language, fine languages;~~
- ~~(3) American sign language;~~
- ~~(4) Fine arts, or career, or~~
- ~~(5) Career and technical education;~~
- ~~2. Obtains a grade of at least "C" in each unit or one-half unit required for the diploma;~~
- ~~3-7. Obtains Completed any five additional units, one of which must be in the area of fine arts or career and technical education;~~
- ~~8. a. (1) Obtained a cumulative grade point average of at least "B"3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based on all high school units in which the student was enrolled; and~~
- ~~(2) Obtained a grade of at least "C" in each unit or one-half unit; or~~
- ~~b. (1) Obtained a cumulative grade point average of at least 3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based only on the units required by subsections 1 through 7 of this section; and~~
- ~~(2) Obtained a grade of at least "C" in each unit or one-half unit;~~
- ~~4-9. ReceivesReceived a composite score of at least twenty-four on an ACT; and~~
- ~~5-10. a. CompletesFulfilled any one unit requirement set forth in subsections 1 through 7 of this section by means of an advanced placement course and examination; or~~
- ~~b. Fulfilled any one-half unit requirement set forth in subsections 1 through 7 of this section by means of a dual-credit course.~~ .05005

**SECTION 11. AMENDMENT.** Section 15.1-21-02.6 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.6. North Dakota scholarship - Amount - Applicability.**

1. ~~The state board of higher education shall provide to any student certified as being eligible by the superintendent of public instruction either a North Dakota academic scholarship or a North Dakota career and technical~~



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education scholarship in the amount of seven hundred fifty dollars for each semester during which the student is enrolled full time at an accredited institution of higher education in this state and maintains a cumulative grade point average of 2.75. If a student is determined by the superintendent of public instruction to have met the requirements for a North Dakota career and technical education scholarship or a North Dakota academic scholarship, the student is eligible to receive:

- a. At the beginning of the student's first year of higher education, a scholarship in the amount of one thousand five hundred dollars, provided the student is enrolled full time at an accredited institution of higher education in this state; and
- b. At the beginning of the semester marking the student's second year of higher education and each semester thereafter, a scholarship in the amount of seven hundred fifty dollars, provided that during the immediately preceding semester the student:
  - (1) Maintained a cumulative grade point average of 2.75; and
  - (2) Maintained enrollment, throughout the semester, in a minimum of fifteen units.
- 2. If at the conclusion of the first semester of the student's first year the state board of higher education determines that the student was unable to maintain a grade point average of 2.75, the board shall forward a letter of warning to the student and articulate the consequences with respect to the student's continued eligibility for a scholarship.
- 3. If at the conclusion of the student's first year, or any semester thereafter, a student has failed to meet the requirements for a scholarship, as set forth in subdivision b of subsection 1, the student, at the conclusion of the ensuing semester, may apply to the state board of higher education for reinstatement of the scholarship, provided the student can demonstrate compliance with the requirements of subdivision b of subsection 1. However, if a student fails to meet the requirements of subdivision b of subsection 1 for a second time, that student may not receive any additional scholarships under this section.
- 2.4. A student is not entitled to receive more than six thousand dollars in scholarships under this section.
- 3.5. The state board of higher education shall forward the scholarship all scholarships under this section directly to the institution in at which the student is enrolled.
- 4.6. This section does not require a student to be enrolled in consecutive semesters. However, a scholarship under this section is valid only for six academic years after the student's graduation from high school and may not be applied to graduate programs.
- 5.7. A scholarship under this section is available to any eligible student who graduates from a high school in this state or from a high school in a bordering state under chapter 15.1-29.

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8. The state board of higher education shall monitor each scholarship recipient to ensure that the student meets the academic and other requirements of this section. Upon determining that a recipient student has failed to meet the requirements of this section, the board shall provide notification to the student within five days.

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**SECTION 12.** A new section to chapter 15.1-21 of the North Dakota Century Code is created and enacted as follows:

**North Dakota scholarship fund - Biannual transfer - Continuing appropriation.**

1. Once each semester, the state board of higher education shall certify to the state treasurer the amount necessary to provide the North Dakota academic scholarships and the North Dakota career and technical education scholarships, as set forth in sections 15.1-21-02.4 and 15.1-21-02.5.
2. Upon receiving the certification, the state treasurer shall transfer the certified amount from the interest and other income of the lands and minerals trust fund to the North Dakota scholarship fund.
3. All moneys in the North Dakota scholarship fund are appropriated on a continuing basis to the state board of higher education for the exclusive purpose of providing North Dakota academic scholarships and North Dakota career and technical education scholarships.

**SECTION 13. AMENDMENT.** Section 15.1-21-08 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-08. Reading, mathematics, and science - Administration of test.**

1. ~~The superintendent of public instruction shall administer to public school students a test that is aligned to the state content and achievement standards in reading and mathematics. This test must be administered to all public school students in at least one grade level selected within each of the following grade spans: grades three through five; grades six through nine; and grades ten through twelve. Beginning no later than the 2005-06 school year and annually thereafter, the superintendent of public instruction shall administer the reading and mathematics test annually to all public school students in grades three, four, five, six, seven, eight, and eleven.~~
2. ~~Beginning no later than the 2007-08 school year and annually thereafter,~~ The superintendent of public instruction shall administer a test that is aligned to the state content and achievement standards in science. This test must be administered to all public school students in at least one grade level selected from three through five; in at least one grade level selected from six through nine; and in grade eleven. The superintendent of public instruction may not administer the grade eleven test after December first of each school year.

**SECTION 14. AMENDMENT.** Section 15.1-21-18 of the North Dakota Century Code is amended and reenacted as follows:

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**15.1-21-18. Career interest inventory - Educational and career planning - Consultation.**

1. A school district shall administer to students, once during their enrollment in grade seven or eight and once during their enrollment in grade nine or ten, a career interest inventory recommended by the department of career and technical education and approved by the superintendent of public instruction.

2. At least once during the seventh or eighth grade, each school district shall arrange for students to participate in either an individual consultative process or a nine-week course, for the purpose of discussing the results of their career interest inventory, selecting high school courses appropriate to their educational pursuits and career interests, and developing individual high school education plans.

3. Each school district shall notify its high school students that, upon request, a student is entitled to receive a consultative review of the student's individual high school education plan at least once during each high school grade. Upon the request of a student, the school district shall provide the consultative review.

4. Each school district shall verify compliance with the requirements of this section at the time and in the manner required by the superintendent of public instruction.

**SECTION 15. AMENDMENT.** Section 15.1-21-19 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-19. Summative assessment - Selection - Cost - Exemptions.**

1. Except as otherwise provided, each public and nonpublic school student in grade eleven shall take the ACT, including the writing test, or three WorkKeys assessments recommended by the department of career and technical education and approved by the superintendent of public instruction. The student shall determine which summative assessment to take. ~~The student's school district of residence~~ superintendent of public instruction is responsible for the cost of procuring and administering one summative assessment and its administration per student.

2. The student's career advisor or guidance counselor shall meet with the student to review the student's assessment results.

3. A school district superintendent or a school administrator in the case of a nonpublic school student may exempt a student from the requirements of this section if taking the test is not required by the student's individualized education program plan or if other special circumstances exist.

4. ~~If the superintendent of public instruction determines that the cost of the summative assessment and its administration can be reduced through use of a state procurement process, the superintendent shall work with the school districts to procure and arrange for the administration of the assessment and shall withhold each district's share of the total cost from any state aid otherwise payable to the district.~~ At the time and in the manner determined by the superintendent of public instruction, each

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school district superintendent and each school administrator in the case of a nonpublic school shall report the number of eleventh grade students who:

- a. Took the ACT, including the writing test;
- b. Took the three WorkKeys assessments; and
- c. Were exempted from the requirements of this section, together with the reason for each exemption.

**SECTION 16. AMENDMENT.** Section 15.1-22-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-22-01. Kindergarten - Establishment by board - Request by parent - Levy.**

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1. ~~Upon its own motion, the~~The board of a school district ~~may~~shall establish a free public kindergarten.
2. ~~If the board receives a written request to provide kindergarten from the parent of a student who will be enrolled in the kindergarten, the~~The board shall either provide at least a half-day kindergarten program for the ~~student~~any student enrolled in the district or pay the tuition required for the student to attend at least a half-day kindergarten program in another school district.
3. The board of a school district that establishes a kindergarten under this section may levy a tax pursuant to subdivision p of subsection 1 of section 57-15-14.2.

**SECTION 17. AMENDMENT.** Section 15.1-27-03.1 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-03.1. (~~Effective through June 30, 2011~~) Weighted average daily membership - Determination:**

- ~~1. For each school district, the superintendent of public instruction shall multiply by:~~
  - ~~a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;~~
  - ~~b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;~~
  - ~~c. 0.60 the number of full-time equivalent students enrolled in a summer education program;~~
  - ~~d. 0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;~~
  - ~~e. 0.30 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and are enrolled in a program of instruction for English language learners;~~

- ~~f. 0.25 the number of full-time equivalent students enrolled in an alternative high school;~~
- ~~g. 0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
- ~~h. 0.25 the number of full-time equivalent students enrolled in an isolated high school;~~
- ~~i. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;~~
- ~~j. 0.20 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be not proficient and are enrolled in a program of instruction for English language learners;~~
- ~~k. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;~~
- ~~l. 0.07 the number of students enrolled in average daily membership, in order to support the provision of special education services;~~
- ~~m. 0.07 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be somewhat proficient and are enrolled in a program of instruction for English language learners;~~
- ~~n. 0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; and~~
- ~~o. 0.002 the number of students enrolled in average daily membership, in order to support technology.~~
- ~~2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.~~

**(Effective after June 30, 2011) Weighted average daily membership - Determination.**

July 1, 2011 -  
June 30, 2013

1. For each school district, the superintendent of public instruction shall multiply by:
  - a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;
  - b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;
  - c. 0.60 the number of full-time equivalent students enrolled in a summer education program;
  - d. 0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;

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e. 0.30 the number of full-time equivalent students who-~~en~~;

~~(1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and placed in the first of six categories of proficiency; and-are~~

~~(2) Are enrolled in a program of instruction for English language learners;~~

f. 0.25 the number of full-time equivalent students enrolled in an alternative high school;

g. ~~0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~

~~h. 0.25 the number of full-time equivalent students enrolled in an isolated high school;~~

~~i. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;~~

~~j-h. 0.20 the number of full-time equivalent students who-~~en~~;~~

~~(1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be not more proficient than students placed in the first of six categories of proficiency and therefore placed in the second of six categories of proficiency; and-are~~

~~(2) Are enrolled in a program of instruction for English language learners;~~

~~k-i. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;~~

~~t-j. 0-070.10 the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average daily membership and the district consists of an area greater than two hundred seventy-five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students in average daily membership must be deemed to have an enrollment equal to fifty students in average daily membership;~~

~~k. 0.073 the number of students enrolled in average daily membership, in order to support the provision of special education services;~~

~~m-l. 0.07 the number of full-time equivalent students who-~~en~~;~~

~~(1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be somewhat more proficient than students placed in the second of six categories of proficiency and therefore placed in the third of six categories of proficiency; and-are~~

~~(2) Are enrolled in a program of instruction for English language learners;~~

~~n.m. 0.025 the number of students representing that percentage of the total number of students in average daily membership which is equivalent to the three-year average percentage of students in grades three through eight who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.];~~

~~n. 0.006 the number of students enrolled in average daily membership in each public school in the district that:~~

~~(1) Has acquired and is utilizing the PowerSchool student information system;~~

~~(2) Has acquired and is in the process of implementing the PowerSchool student information system; or~~

~~(3) Will acquire the PowerSchool student information system during the current school year, provided the acquisition is contractually demonstrated; and~~

~~o. 0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; and~~

~~p. 0.002 the number of students enrolled in average daily membership, in order to support technology.~~

2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.

**SECTION 18. AMENDMENT.** Section 15.1-27-03.1 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-03.1. (Effective through June 30, 2011) Weighted average daily membership—Determination.**

~~1. For each school district, the superintendent of public instruction shall multiply by:~~

~~a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;~~

~~b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;~~

~~c. 0.60 the number of full-time equivalent students enrolled in a summer education program;~~

~~d. 0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;~~

~~e. 0.30 the number of full-time equivalent students who on a test of English-language proficiency approved by the superintendent of public~~

~~instruction are determined to be least proficient and are enrolled in a program of instruction for English language learners;~~

- ~~f. 0.25 the number of full-time equivalent students enrolled in an alternative high school;~~
  - ~~g. 0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
  - ~~h. 0.25 the number of full-time equivalent students enrolled in an isolated high school;~~
  - ~~i. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;~~
  - ~~j. 0.20 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be not proficient and are enrolled in a program of instruction for English language learners;~~
  - ~~k. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;~~
  - ~~l. 0.07 the number of students enrolled in average daily membership, in order to support the provision of special education services;~~
  - ~~m. 0.07 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be somewhat proficient and are enrolled in a program of instruction for English language learners;~~
  - ~~n. 0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; and~~
  - ~~o. 0.002 the number of students enrolled in average daily membership, in order to support technology.~~
- ~~2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.~~

~~(Effective after June 30, 2011) Weighted average daily membership - Determination.~~

July 1, 2013 +  
thereafter

1. For each school district, the superintendent of public instruction shall multiply by:
  - a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;
  - b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;
  - c. 0.60 the number of full-time equivalent students enrolled in a summer education program;



d. 0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;

e. 0.30 the number of full-time equivalent students who—en;

(1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and placed in the first of six categories of proficiency; and are

(2) Are enrolled in a program of instruction for English language learners;

f. 0.25 the number of full-time equivalent students enrolled in an alternative high school;

~~g. 0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~

~~h. 0.25 the number of full-time equivalent students enrolled in an isolated high school;~~

~~i. 0.20 the number of full-time equivalent students in grades six through eight enrolled in an alternative education program for at least an average of fifteen hours per week;~~

~~h. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;~~

~~j.i. 0.20 the number of full-time equivalent students who—en;~~

(1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be ~~not more~~ proficient than students placed in the first of six categories of proficiency and therefore placed in the second of six categories of proficiency; and are

(2) Are enrolled in a program of instruction for English language learners;

~~k.j. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;~~

~~l.k. 0.070.10 the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average daily membership and the district consists of an area greater than two hundred seventy-five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students in average daily membership must be deemed to have an enrollment equal to fifty students in average daily membership;~~

~~l. 0.073 the number of students enrolled in average daily membership, in order to support the provision of special education services;~~

~~m. 0.07 the number of full-time equivalent students who—en;~~

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(effective July 1,  
2013)

\_\_\_\_\_ (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be somehatmore proficient than students placed in the second of six categories of proficiency and therefore placed in the third of six categories of proficiency; and are

\_\_\_\_\_ (2) Are enrolled in a program of instruction for English language learners;

n. 0.025 the number of students representing that percentage of the total number of students in average daily membership which is equivalent to the three-year average percentage of students in grades three through eight who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.];

o. 0.006 the number of students enrolled in average daily membership in each public school in the district that:

\_\_\_\_\_ (1) Has acquired and is utilizing the PowerSchool student information system;

\_\_\_\_\_ (2) Has acquired and is in the process of implementing the PowerSchool student information system; or

\_\_\_\_\_ (3) Will acquire the PowerSchool student information system during the current school year, provided the acquisition is contractually demonstrated; and

\_\_\_\_\_ p. 0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; and

\_\_\_\_\_ p. ~~0.002 the number of students enrolled in average daily membership, in order to support technology.~~

2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.

**SECTION 19. AMENDMENT.** Section 15.1-27-04 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-04. Per student payment rate.**

1. a. The per student payment rate to which each school district is entitled for the first year of the biennium is three thousand ~~twenine~~ hundred fifty dollars. .05011

b. The per student payment rate to which each school district is entitled for the second year of the biennium is three thousand ~~sevenine~~ hundred seventy-ninefifty dollars.

2. In order to determine the state aid payment to which each district is entitled, the superintendent of public instruction shall multiply each district's weighted student units by the per student payment rate set forth in subsection 1.

**SECTION 20. AMENDMENT.** Section 15.1-27-07.2 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-07.2. Baseline funding - Determination - Minimum and maximum allowable increases.**

1. The superintendent of public instruction shall determine each school district's baseline funding per weighted student unit by:
  - a. Adding together all state aid received by the district during the 2006-07 school year;
  - b. Subtracting the amount received by the district during the 2006-07 school year for transportation aid, special education excess cost reimbursements, special education contracts, prior year funding adjustments, and per student payments for participation in educational associations governed by joint powers agreements; and
  - c. Dividing the amount determined under subdivision b by the district's 2007-08 weighted student units.
2.
  - a. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, for the 2009-10 school year, is at least equal to one hundred eight percent of the baseline funding per weighted student unit, as established in subsection 1.
  - b. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, for each school year after the 2009-10 school year, is at least equal to one hundred twelve and one-half percent of the baseline funding per weighted student unit, as established in subsection 1.
3.
  - a. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, less any amount received as equity payments under section 15.1-27-11 per weighted student unit, does not exceed, for the 2009-10~~2011-12~~ school year, one hundred ~~twenty-four~~<sup>forty-two</sup> percent of the baseline funding per weighted student unit, as established in subsection 1.

~~b. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, less any amount received as equity payments under section 15.1-27-11 per weighted student unit, does not exceed, for each school year after the 2009-10 school year, one hundred thirty-four percent of the baseline funding per weighted student unit, as established in subsection 1.~~

**SECTION 21. AMENDMENT.** Section 15.1-27-11 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-11. Equity payments.**

1. The superintendent of public instruction shall:

- a. Divide the imputed taxable valuation of the state by the total average daily membership of all school districts in the state in order to determine the state average imputed taxable valuation per student.
  - b. Divide the imputed taxable valuation of each school district by the district's total average daily membership in order to determine each district's average imputed taxable valuation per student.
2. If a school district's imputed taxable valuation per student is less than ninety percent of the statewide imputed taxable valuation per student, the superintendent of public instruction shall calculate the valuation deficiency by:
- a. Determining the difference between ninety percent of the state average imputed taxable valuation per student and the district's average imputed taxable valuation per student; and
  - b. Multiplying that difference by the district's total average daily membership.
3. Except as provided in subsection 4, the equity payment to which a district is entitled under this section equals the district's valuation deficiency multiplied by the lesser of:
- a. The district's general fund levy for the taxable year 2008; or
  - b. One hundred eighty-five mills.
4. a. The equity payment to which a district is entitled may not exceed the district's taxable valuation multiplied by its general fund levy for the taxable year 2008.
- b. If a district's general fund levy for the taxable year 2008 is less than one hundred eighty-five mills, the superintendent of public instruction shall subtract the district's general fund levy for the taxable year 2008 from one hundred eighty-five mills, multiply the result by the district's taxable valuation, and subtract that result from the equity payment to which the district is otherwise entitled.
- c. If a district's imputed taxable valuation per student is less than fifty percent of the statewide imputed taxable valuation per student, the payment to which the district is entitled under this section may not be less than twenty percent of the statewide imputed taxable valuation per student times the school district's average daily membership, multiplied by one hundred eighty-five mills.
5. In determining the amount to which a school district is entitled under this section, the superintendent of public instruction may not include any payments received by the district as a result of Public Law No. 81-874 [64 Stat. 1100; 20 U.S.C. 236 et seq.] and may not include in the district's average daily membership students who are dependents of members of the armed forces and students who are dependents of civilian employees of the department of defense.
6. In determining the statewide average imputed taxable valuation per student for purposes of this section, the superintendent of public instruction may not include:

- a. Any school district, which if included in the calculation would have an imputed taxable valuation per student that is three times greater than the statewide average imputed taxable valuation per student; and
- b. Any school district, which if included in the calculation would have an imputed taxable valuation per student that is less than one-fifth of the statewide average imputed taxable valuation per student.

7. For purposes of this section:

- a. "General fund levy" includes a district's high school transportation levy and its high school tuition levy.
- b. "Imputed taxable valuation" means the valuation of all taxable real property in the district plus:
  - (1) An amount determined by dividing seventy percent of the district's mineral and tuition revenue, revenue from payments in lieu of property taxes on distribution and transmission of electric power, revenue from payments in lieu of taxes from electricity generated from sources other than coal, and revenue received on account of the leasing of lands acquired by the United States for flood control, navigation, and allied purposes in accordance with 33 U.S.C. 701c-3 by the district's general fund mill levy for the taxable year 2008; and
  - (2) An amount determined by dividing the district's revenue from mobile home taxes and telecommunications taxes by the district's general fund mill levy for the taxable year 2008.
- c. "Mineral revenue" includes all revenue from county sources reported under code 2000 of the North Dakota school district financial accounting and reporting manual as developed by the superintendent of public instruction in accordance with section 15.1-02-08.
- d. "Tuition revenue" includes all revenue reported under code 1300 of the North Dakota school district financial accounting and reporting manual as developed by the superintendent of public instruction in accordance with section 15.1-02-08. "Tuition revenue" does not include tuition income received specifically for the operation of an educational program provided at a residential treatment facility.

**SECTION 22. AMENDMENT.** Section 15.1-27-35.3 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-35.3. ~~(Effective through June 30, 2014) Payments to school districts—Unobligated general fund balance—Report to legislative council.~~**

- ~~1. The superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of fifty percent of its actual expenditures, plus twenty thousand dollars. Beginning July 1, 2008, the superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in~~

excess of forty-five percent of its actual expenditures, plus twenty thousand dollars.

~~2. In making the determination required by subsection 1, the superintendent of public instruction may not include in a district's unobligated general fund balance any moneys that:~~

~~a. (1) Were received by the district during the school year ending June 30, 2009, on account of the leasing of lands acquired by the United States for flood control, navigation, and allied purposes in accordance with 33 U.S.C. 701e-3; and~~

~~(2) Exceeded the amount received by the district during the school year ending June 30, 2008, for the purpose stated in paragraph 1;~~

~~b. Were received directly by the district from the United States government in accordance with the American Recovery and Reinvestment Act of 2009; or~~

~~c. Were received by the district as supplemental one-time grants under section 52 of S.L. 2009, ch. 175.~~

~~3. Any district having more than fifty thousand dollars excluded in the determination of its ending fund balance, as required by subsection 2, shall provide a report to the legislative council. The report, which must be presented at the time and in the manner directed by the legislative council, must address how the money was expended, including the number of mills by which the district was able to decrease its property taxes, if such was a permitted use.~~

**(Effective after June 30, 2011) Payments to school districts - Unobligated general fund balance.**

~~1. The superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of fifty percent of its actual expenditures, plus twenty thousand dollars. Beginning July 1, 2008, the superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty-five percent of its actual expenditures, plus twenty thousand dollars.~~

~~2. In making the determination required by subsection 1, the superintendent of public instruction may not include in a district's unobligated general fund balance any moneys that were received by the district from the federal education jobs fund program.~~

**SECTION 23. ISOLATED SCHOOLS - TRANSITION PAYMENTS.**

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

subsection 1 of section 15.1-27-03.1, the district is entitled to the following transition payments:

- a. For the 2011-12 school year, an amount equal to that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011;
  - b. For the 2012-13 school year, an amount equal to seventy-five percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011;
  - c. For the 2013-14 school year, an amount equal to fifty percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011; and
  - d. For the 2014-15 school year, an amount equal to twenty-five percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011.
2. Upon the closure of a school that met the definition of isolated under section 15.1-27-15, as it existed on June 30, 2011, the superintendent of public instruction shall cease to provide to the district the transition payments established under subsection 1.

#### **SECTION 24. TRANSPORTATION GRANTS - DISTRIBUTION.**

1. During each year of the 2011-13 biennium, the superintendent of public instruction shall calculate the payment to which each school district is entitled based on the state transportation formula as it existed on June 30, 2001, except that the superintendent shall provide reimbursement at the rate of:
  - a. One dollar and three cents per mile for schoolbuses having a capacity of ten or more passengers;
  - b. Forty-six cents per mile for vehicles having a capacity of nine or fewer passengers;
  - c. Forty-six cents per mile, one way, provided:
    - (1) The student being transported resides more than two miles from the public school that the student attends;
    - (2) The student is transported by an adult member of the student's family;
    - (3) The student is transported in a vehicle furnished by the student's parents; and
    - (4) The student's transportation is paid for by the student's parents; and
  - d. Twenty-six cents per student for each one-way trip.
2. The superintendent of public instruction shall use the latest available student enrollment count in each school district in applying the provisions of subsection 1.

3. If any moneys provided for transportation payments in the grants transportation line item in the appropriation bill for the superintendent of public instruction, as approved by the sixty-second legislative assembly, remain after application of the formula provided for in this section, the superintendent of public instruction shall prorate the remaining amounts according to the percentage of the total transportation formula amount to which each school district is entitled.
4. This section does not authorize the reimbursement of any costs incurred in providing transportation for student attendance at extracurricular activities or events.

**SECTION 25. USE OF NEW MONEY - TEACHER COMPENSATION INCREASES - REPORTS TO THE LEGISLATIVE MANAGEMENT.**

1. During the 2011-13 biennium, the board of each school district shall use an amount equal to at least seventy percent of all new money received by the district for per student payments to increase the compensation paid to teachers and to provide compensation to teachers who begin employment with the district on or after July 1, 2011.
2. For purposes of this section, the superintendent of public instruction shall calculate the amount of new money received by a district during the 2011-13 biennium by:
  - a. Determining the total amount of state dollars received by each district during the 2009-11 biennium as per student payments, provided that equity payments, transportation payments, contingency distributions, mill levy reduction payments, and technology support payments are not to be included in the total;
  - b. Determining the total amount of state dollars received by each district during the 2011-13 biennium as per student payments, provided that equity payments, transportation payments, contingency distributions, mill levy reduction payments, and the data collection payments are not to be included in the total; and
  - c. Subtracting the amount arrived at under subdivision a from the amount arrived at under subdivision b.
3. School districts providing educational services under a cooperative agreement approved by the superintendent of public instruction must, for purposes of this section, be treated as a single district.
4.
  - a. This section does not apply to a school district if the board of the school district, after a public hearing at which public testimony and documentary evidence are accepted, determines in its discretion and by an affirmative vote of two-thirds of the members of the board that complying with subsection 1 would place the school district in the position of having insufficient fiscal resources to meet the school district's other obligations.
  - b. Within ten days of the vote required by subdivision a, the school board shall notify the superintendent of public instruction of its action and shall file a report detailing the grounds for its determination and action.



- c. The superintendent of public instruction shall report all notices received under this subsection to the legislative management.

**SECTION 26. REGIONAL EDUCATION ASSOCIATIONS - GRANTS.** During the 2011-13 biennium, the superintendent of public instruction shall expend up to \$800,000 from the grants - state school aid line item in the appropriation bill for the superintendent of public instruction, as approved by the sixty-second legislative assembly, for the purpose of providing an annual grant to each eligible regional education association in order to assist each association with the cost of compensating a coordinator.

1. In order to receive a grant under this section, each regional education association must:
  - a. Enter a contract with an individual to serve as a coordinator, on a full-time or a part-time basis, for a duration of at least twelve months; and
  - b. Provide from other revenue sources at least thirty percent of the total compensation payable to the coordinator.
2. The maximum grant payable to a regional education association under this section during each year of the biennium is the lesser of \$50,000 or seventy percent of the total compensation payable to the coordinator.

**SECTION 27. APPROPRIATION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$150,000, or so much of the sum as may be necessary, to the department of commerce for the purpose of providing grants in the amount of \$1,200 on behalf of individuals seeking a child development associate credential, for the biennium beginning July 1, 2011, and ending June 30, 2013.

**SECTION 28. APPROPRIATION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$460,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of providing payments to eligible school districts that offer alternative education programs to students in grades six through eight, for the biennium beginning July 1, 2011, and ending June 30, 2013. In order to determine the payment per student, the superintendent of public instruction shall multiply the number of full-time equivalent students in grades six through eight who are enrolled during the 2012-13 school year in an average of at least fifteen hours per week of alternative education programming by a weighting factor that may not exceed 0.20.

**SECTION 29. APPROPRIATION - SCHOOL DISTRICT DEFERRED MAINTENANCE AND PHYSICAL PLANT IMPROVEMENT GRANTS.**

1. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$7,000,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of awarding to eligible school districts deferred maintenance and physical plant improvement grants, in accordance with the provisions of this section, for the biennium beginning July 1, 2011, and ending June 30, 2013.

.05007

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2. If the office of management and budget determines by April 30, 2012, that the June 30, 2012, ending balance of the state general fund will be more than \$30,000,000 in excess of the amount predicted by the office of management and budget at the conclusion of the 2011 legislative session, the superintendent of public instruction shall forward to each eligible school district:
  - a. Ten thousand dollars; plus
  - b. The school district's pro rata share of the remaining appropriation, calculated by using the latest available average daily membership of each school district.
3. If the general fund balance requirements of subsection 2 are not met and if the office of management and budget determines by April 30, 2013, that the June 30, 2013, ending balance of the state general fund will be more than \$30,000,000 in excess of the amount predicted by the office of management and budget at the conclusion of the 2011 legislative session, the superintendent of public instruction shall forward to each eligible school district:
  - a. Ten thousand dollars; plus
  - b. The school district's pro rata share of the remaining appropriation, calculated by using the latest available average daily membership of each school district.
4. Each school district accepting funds under this section shall apply those funds toward deferred maintenance and physical plant improvements and shall, by June 30, 2014:
  - a. Submit to the superintendent of public instruction documentation indicating the appropriate expenditure of the funds; or
  - b. Return the funds to the superintendent of public instruction for deposit in the general fund.
5. For purposes of this section, an "eligible school district" is a school district that:
  - a. Has a general fund levy equal to at least one hundred fifty mills, before any reduction for property tax allocations under chapter 57-64;
  - b. Is not precluded from receiving state aid by the provisions of section 15.1-27-35.3; and
  - c. Provides an equal monetary match for any amount received under this section.

**SECTION 30. CONTINGENT MONEY.** If any money appropriated to the superintendent of public instruction for state aid payments to school districts remains after the superintendent complies with all statutory payment obligations imposed for the biennium beginning July 1, 2011, and ending June 30, 2013, the superintendent shall use the remaining moneys to provide additional per student payments on a prorated basis according to the latest available average daily membership of each school district. .05006

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**SECTION 31. CONTINGENT TRANSFER BY BANK OF NORTH DAKOTA FOR SPECIAL EDUCATION.** If during the biennium beginning July 1, 2011, and ending June 30, 2013, the superintendent of public instruction determines that, using all available sources, there are insufficient funds with which to fully reimburse school districts for the excess costs of serving the one percent of special education students statewide who require the greatest school district expenditures in order to be provided with special education and related services, the industrial commission shall transfer from the earnings and accumulated and undivided profits of the Bank of North Dakota the amount the superintendent of public instruction certifies is necessary to provide the statutorily required level of reimbursement. The superintendent of public instruction shall file for introduction legislation requesting that the sixty-third legislative assembly return any amount transferred under this section to the Bank of North Dakota.

.05021

**SECTION 32. ALL-DAY KINDERGARTEN - IMPACT REPORT.** Before December 31, 2011, and December 31, 2012, each school district that provided full-day kindergarten during the previous school year shall file a report with the superintendent of public instruction indicating the nature and extent of any measurable academic growth experienced by the students who were enrolled in the program.

**SECTION 33. LEGISLATIVE MANAGEMENT STUDY - TEACHER COMPENSATION REFORM.** During the 2011-12 interim, the legislative management shall consider studying ways to reform the manner in which teacher compensation is determined, with a view to recruiting, developing, and retaining a high-quality teaching workforce. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-third legislative assembly.

**SECTION 34. REPEAL.** Section 15.1-27-15 of the North Dakota Century Code is repealed.

**SECTION 35. EFFECTIVE DATE.** Section 18 of this Act becomes effective on July 1, 2013."

Renumber accordingly

#31





Date: 2-8-11  
 Roll Call Vote # 1-EE

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES  
 BILL/RESOLUTION NO. 2150

Senate Education Committee

Check here for Conference Committee

Legislative Council Amendment Number pg 21, Section 19

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

Motion Made By Sen. Flakoll Seconded By Sen. Luick

Senators	Yes	No	Senators	Yes	No
Chairman Layton Freborg	X		Senator Joan Heckaman	X	
Vice Chair Donald Schaible	X		Senator Richard Marcellais	X	
Senator Tim Flakoll	X				
Senator Gary A. Lee	X				
Senator Larry Luick	X				

Total (Yes) 7 No 0

Absent 0

Floor Assignment \_\_\_\_\_

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

\$3961 first yr.  
 \$3961 second yr.

February 8, 2011

PROPOSED AMENDMENTS TO SENATE BILL NO. 2150

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 15.1-09.1, a new section to chapter 15.1-18.2, and two new sections to chapter 15.1-21 of the North Dakota Century Code, relating to regional education associations, the professional development advisory committee, and North Dakota scholarships; to amend and reenact sections 15.1-07-33, 15.1-09-58, 15.1-09.1-02, 15.1-20-01, 15.1-21-02.1, 15.1-21-02.4, 15.1-21-02.5, 15.1-21-02.6, 15.1-21-08, 15.1-21-18, 15.1-21-19, 15.1-22-01, 15.1-27-03.1, 15.1-27-04, 15.1-27-07.2, 15.1-27-11, 15.1-27-35.3, and 15.1-37-01 of the North Dakota Century Code, relating to technology, regional education associations, curriculum requirements, assessments, scholarships, student consultations, compulsory attendance, age of admission, and state aid; to repeal section 15.1-27-15 of the North Dakota Century Code, relating to isolated schools; to provide an appropriation; to provide a continuing appropriation; to provide for compensation increases, transition payments, contingent payments, the use of federal education jobs fund program grants, and the distribution of transportation grants and regional education association grants; to provide for a legislative management study and reports; and to provide an effective date.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. AMENDMENT.** Section 15.1-07-33 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-07-33. Student information system - Statewide coordination - Financial support - Exemption.**

1. Notwithstanding any other technology requirements imposed by the superintendent of public instruction, the information technology department, or the North Dakota educational technology council, each school district shall acquire PowerSchool through the information technology department and use it as its principal student information system.
2. The superintendent of public instruction shall forward that portion of a school district's state aid which is payable by the superintendent under subdivision n of subsection 1 of section 15.1-27-03.1 directly to the information technology department to reimburse the department for the cost of the school district's acquisition, implementation, or utilization of PowerSchool and any related technology support services. The superintendent shall forward the amount payable under this subsection at the same time and in the same manner as provided for other state aid payments under section 15.1-27-01.
3. If the portion of a school district's state aid forwarded to the information technology department under subsection 2 exceeds the cost incurred by the information technology department in providing for the school district's acquisition, implementation, or utilization of PowerSchool and any related

#32 attachment  
Vote 1 - FF

technology support services, the information technology department shall return the excess moneys to the superintendent of public instruction for redistribution to the school district as per student payments.

4. The superintendent of public instruction may exempt a school district from having to acquire and utilize PowerSchool if the school district demonstrates that, in accordance with requirements of the bureau of Indian education, the district has acquired and is utilizing a student information system that is determined to be comparable by the superintendent.

**SECTION 2. AMENDMENT.** Section 15.1-09-58 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-09-58. ~~Prekindergarten program~~ Early childhood education - Authorization - Support.**

1. The board of a school district may establish a ~~prekindergarten~~ early childhood education program and may ~~receive and expend any state~~ support that program with:
  - a. Local tax revenues, other than those necessary to support the district's kindergarten program and the provision of elementary and high school educational services;
  - b. State moneys specifically appropriated for the program, any federal;
  - c. Federal funds specifically appropriated or approved for the program, and any gifts, and
  - d. Gifts, grants, and donations specifically given for the program.
2. For purposes of this section, state moneys specifically appropriated for an early childhood program are separate and distinct from those appropriated for special education early childhood programs, school readiness and parent education programs, and state aid for elementary and secondary education.

05023

**SECTION 3. AMENDMENT.** Section 15.1-09.1-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-09.1-02. Regional education association - Joint powers agreement - Review by superintendent of public instruction - Criteria.**

~~Before~~In order for a group of school districts mayto be designated as a regional education association, the superintendent of public instruction shall review the joint powers agreement that the districts have entered and verify that: the requirements of this section have been met.

1. The school districts must:
  - a. Have a combined total land mass of at least five thousand eight hundred square miles [1502193 hectares];
  - b. (1) Have a combined total land mass of at least four thousand five hundred square miles [1165494 hectares]; and



- (2) Number at least twelve;
  - c. (1) Have a combined total land mass of at least four thousand square miles [1035995 hectares]; and
    - (2) Have at least three thousand students in average daily membership; or
  - d. (1) Have a combined total land mass of at least one thousand five hundred square miles [388498 hectares]; and
    - (2) Have at least seven thousand five hundred students in average daily membership.
2. The school districts are ~~are~~ must be contiguous to each other or, if the districts are not contiguous to each other, the superintendent of public instruction shall verify that the participating districts can provide sound educational opportunities to their students in a fiscally responsible manner without injuring other school districts or regional education associations and without negatively impacting the ability of other school districts or regional education associations to provide sound educational opportunities to their students in a fiscally responsible manner. A decision by the superintendent of public instruction under this subsection may be appealed to the state board of public school education. A decision by the state board is final.
  3. The joint powers agreement ~~requires~~ must require that the participating school districts maintain a joint operating fund ~~and share various administrative functions and student services in accordance with subsection 4.~~
  4. a. ~~During the first two school years in which a regional education association is operational, each participating school district shall share in at least two administrative functions and two student services, selected by the district.~~
    - b. ~~During the third and fourth school years in which a regional education association is operational, each participating school district shall share in at least three administrative functions and three student services, selected by the district.~~
    - c. ~~During the fifth school year in which a regional education association is operational, and each year thereafter, each participating school district shall share at least five administrative functions and five student services, selected by the district.~~
    - d. ~~For purposes of this subsection:~~
      - (1) ~~"Administrative functions" means:~~
        - (a) ~~Business management;~~
        - (b) ~~Career and technical education services management;~~
        - (c) ~~Curriculum mapping or development;~~
        - (d) ~~Data analysis;~~
        - (e) ~~Federal program support;~~

- ~~(f) — Federal title program management;~~
- ~~(g) — Grant writing;~~
- ~~(h) — School improvement;~~
- ~~(i) — School safety and environment management;~~
- ~~(j) — Special education services management;~~
- ~~(k) — Staff development;~~
- ~~(l) — Staff retention and recruitment;~~
- ~~(m) — Staff sharing;~~
- ~~(n) — Technology support; and~~
- ~~(o) — Any other functions approved by the superintendent of public instruction.~~

~~(2) — "Student services" means:~~

- ~~(a) — Advanced placement classes;~~
- ~~(b) — Alternative high schools or alternative high school programs;~~
- ~~(c) — Career and technical education classes;~~
- ~~(d) — Counseling services;~~
- ~~(e) — Common elementary curricula;~~
- ~~(f) — Distance learning classes;~~
- ~~(g) — Dual credit classes;~~
- ~~(h) — Foreign language classes;~~
- ~~(i) — Library and media services;~~
- ~~(j) — Summer programs;~~
- ~~(k) — Supplemental instruction programs; and~~
- ~~(l) — Any other services approved by the superintendent of public instruction.~~

~~e. — For purposes of this subsection, if a regional education association became operational before July 1, 2005, the 2005-06 school year must be considered the provider's first year of operation.~~

~~5. — The joint powers agreement provides must provide:~~

- ~~a. Criteria for the future participation of school districts that were not parties to the original joint powers agreement;~~
- ~~b. An application process by which school districts that were not parties to the original joint powers agreement can become participating districts; and~~

- c. A process by which school districts that were not parties to the original joint powers agreement and whose application to participate in the agreement was denied can appeal the decision to the superintendent of public instruction.
- 6-5. The joint powers agreement ~~provides~~must provide for the employment and compensation of staff.
- 7-6. The joint powers agreement must:
  - a. ~~Establishes~~Establish the number of members on the governing board;
  - b. ~~Establishes~~Establish the manner in which members of the governing board are determined;
  - c. ~~Requires all members~~Require that each member of the governing board ~~or their designees to be individuals~~be an individual currently serving on the board of a participating school district ~~or the designee of a participating school district's board~~; and
  - d. ~~Allows~~Allow for the inclusion of ex officio nonvoting members on the governing board.
- 8-7. The joint powers agreement ~~provides~~must provide that the board of the regional education association shall meet at least quarterly.
- 9-8. The joint powers agreement ~~does~~may not permit the regional education association to compensate members of the regional education association board for attending meetings of the board and does not permit the regional education association to reimburse members of the board for any expenses incurred in attending meetings of the board.

**SECTION 4.** A new section to chapter 15.1-09.1 of the North Dakota Century Code is created and enacted as follows:

**Regional education association - Services to be offered.**

- 1. In order to be eligible for state funding, a regional education association must offer the following services to its member districts:
  - a. Coordination and facilitation of professional development activities for teachers and administrators employed by its member districts;
  - b. Supplementation of technology support services;
  - c. Assistance with achieving school improvement goals identified by the superintendent of public instruction;
  - d. Assistance with the collection, analysis, and interpretation of student achievement data; and
  - e. Assistance with the expansion and enrichment of curricular offerings.
- 2. Subsection 1 does not preclude a regional education association from offering additional services to its member districts.

**SECTION 5.** A new section to chapter 15.1-18.2 of the North Dakota Century Code is created and enacted as follows:

**Professional development advisory committee - Compensation of members.**

Each member of the professional development advisory committee, is entitled to receive reimbursement for expenses as provided by law for state officers if the member is attending meetings or performing duties directed by the committee.

**SECTION 6. AMENDMENT.** Section 15.1-20-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-20-01. Compulsory attendance.**

A student's formal schooling must begin with a kindergarten program that meets the requirements of section 15.1-22-02 and must include all other grades from one through twelve.

1. a. Any person having responsibility for a child between the ages of seven~~six~~ and sixteen years shall ensure that the child is in attendance at a public school for the duration of each school year.  
b. Beginning July 1, 2015, any person having responsibility for a child between the ages of six and seventeen years shall ensure that the child is in attendance at a public school for the duration of each school year.
2. If a person enrolls a child of age ~~six~~five in a public school, the person shall ensure that the child is in attendance at the public school for the duration of each school year. The person may withdraw a child of age ~~six~~five from the public school. However, once the child is withdrawn, the person may not reenroll the child until the following school year. This subsection does not apply if the reason for the withdrawal is the child's relocation to another school district.
3. This section does not apply if a child is exempted under the provisions of section 15.1-20-02.

**SECTION 7. AMENDMENT.** Section 15.1-21-02.1 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.1. High school graduation—~~Diploma~~diploma - Minimum requirements.**

Except as provided in section 15.1-21-02.3, before a school district, a nonpublic high school, or the center for distance education issues a high school diploma to a student, the student must have successfully completed ~~the following twenty-two units of high school coursework:~~

- ~~1. Four units of English language arts from a sequence that includes literature, composition, and speech;~~
- ~~2. Three units of mathematics;~~
- ~~3. Three units of science, including:~~
  - ~~a. One unit of physical science;~~

- b. ~~One unit of biology; and~~
- c. ~~(1) One unit of any other science; or~~
  - ~~(2) Two one-half units of any other science;~~
- 4. ~~Three units of social studies, including:~~
  - a. ~~One unit of United States history;~~
  - b. ~~(1) One-half unit of United States government and one-half unit of economics; or~~
    - ~~(2) One unit of problems of democracy; and~~
  - c. ~~One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;~~
- 5. a. ~~One unit of physical education; or~~
  - b. ~~One-half unit of physical education and one-half unit of health;~~
- 6. ~~Three units of:~~
  - a. ~~Foreign languages;~~
  - b. ~~Native American languages;~~
  - c. ~~Fine arts; or~~
  - d. ~~Career and technical education courses; and~~
- 7. ~~Any five additional units.~~
  - 1. The twenty-two units of high school coursework set forth in section 8 of this Act; and
  - 2. Any additional units of high school coursework required by the issuing entity.

**SECTION 8.** A new section to chapter 15.1-21 of the North Dakota Century Code is created and enacted as follows:

**High school graduation - Minimum requirements.**

Except as provided in section 15.1-21-02.3, the following twenty-two units of high school coursework constitute the minimum requirement for high school graduation:

- 1. Four units of English language arts from a sequence that includes literature, composition, and speech;
- 2. Three units of mathematics;
- 3. Three units of science, including:
  - a. One unit of physical science;

- b. One unit of biology; and
- c. (1) One unit of any other science; or  
(2) Two one-half units of any other science;
- 4. Three units of social studies, including:
  - a. One unit of United States history;
  - b. (1) One-half unit of United States government and one-half unit of economics; or  
(2) One unit of problems of democracy; and
  - c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;
- 5. a. One unit of physical education; or  
b. One-half unit of physical education and one-half unit of health;
- 6. Three units of:
  - a. Foreign languages;
  - b. Native American languages;
  - c. Fine arts; or
  - d. Career and technical education courses; and
- 7. Any five additional units.

**SECTION 9. AMENDMENT.** Section 15.1-21-02.4 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.4. North Dakota career and technical education scholarship.**

Any resident student who graduates from a high school during or after the 2010-11 school year is eligible to receive a North Dakota career and technical education scholarship provided the student ~~completes all requirements set forth in subsections 1 through 5 and subsection 7 of section 15.1-21-02.1 for a high school diploma and:~~

- 1. Completed four units of English language arts from a sequence that includes literature, composition, and speech;
- 2. Completed three units of mathematics, including:
  - a. ~~Completes one~~One unit of algebra II, as defined by the superintendent of public instruction, ~~in fulfillment of the mathematics requirement set forth in subsection 2 of section 15.1-21-02.1; and~~
  - b. ~~Completes two~~Two units of any other mathematics;
- 3. Completed three units of science, including:

- a. One unit of physical science;
  - b. One unit of biology; and
  - c. (1) One unit of any other science; or  
 (2) Two one-half units of any other science;
4. Completed three units of social studies, including:
- a. One unit of United States history;
  - b. (1) One-half unit of United States government and one-half unit of economics; or  
 (2) One unit of problems of democracy; and
  - c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;
5. a. Completed one unit of physical education; or  
 b. One-half unit of physical education and one-half unit of health;
6. Completed:
- a. One unit selected from:
    - (1) Foreign languages;
    - (2) Native American languages;
    - (3) American sign language;
    - (4) Fine arts; or
    - (5) Career and technical education courses; and
  - b. Two units of a coordinated plan of study recommended by the department of career and technical education and approved by the superintendent of public instruction; and
- ~~6-7.~~ Completed any five additional units, two of which must be in the area of career and technical education;
2. Obtains a grade of at least "C" in each unit or one-half unit required for the diploma;
- 3-8. a. (1) Obtains~~Obtains~~ a cumulative grade point average of at least "B"3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based on all high school units in which the student was enrolled; and  
 (2) Obtained a grade of at least "C" in each unit or one-half unit; or
- b. (1) Obtained a cumulative grade point average of at least 3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based only on the units required by subsections 1 through 7 of this section; and

- (2) Obtained a grade of at least "C" in each unit or one-half unit;  
and

4.9. ~~Receives~~Received:

- a. A composite score of at least twenty-four on an ACT; or
- b. A score of at least five on each of three WorkKeys assessments recommended by the department of career and technical education and approved by the superintendent of public instruction.

**SECTION 10. AMENDMENT.** Section 15.1-21-02.5 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.5. North Dakota academic scholarship.**

Any resident student who graduates from a high school during or after the 2010-11 school year is eligible to receive a North Dakota academic scholarship provided the student ~~completes all requirements set forth in subsections 1 through 5 and subsection 7 of section 15.1-21-02.1 for a high school diploma and:~~

1. Completed four units of English language arts from a sequence that includes literature, composition, and speech;
2. Completed three units of mathematics, including:
  - a. ~~Completes one~~One unit of algebra II, as defined by the superintendent of public instruction, ~~in fulfillment of the mathematics requirement set forth in subsection 2 of section 15.1-21-02.1; and~~
  - b. ~~Completes one~~One additional unit of mathematics for which algebra II, as defined by the superintendent of public instruction, is a prerequisite; ~~and~~
- e.3. ~~Completes~~Completed three units of science, including:
  - a. One unit of physical science;
  - b. One unit of biology; and
  - c. (1) One unit of any other science; or  
(2) Two one-half units of any other science;
4. Completed three units of social studies, including:
  - a. One unit of United States history;
  - b. (1) One-half unit of United States government and one-half unit of economics; or  
(2) One unit of problems of democracy; and
  - c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;
5. a. Completed one unit of physical education; or



b. One-half unit of physical education and one-half unit of health;

6. a. Completed:

- (1) Two units of the same foreign or native American language;
- (2) ~~One unit of fine arts or career and technical education~~American sign language; and

~~(3)~~b. One unit of a foreign or native selected from:

- (1) Foreign languages;
- (2) Native American language, fine languages;
- (3) American sign language;
- (4) Fine arts, or career; or
- (5) Career and technical education;

~~2. Obtains a grade of at least "C" in each unit or one-half unit required for the diploma;~~

~~3-7. Obtains~~Completed any five additional units, one of which must be in the area of fine arts or career and technical education;

~~8. a. (1) Obtained a cumulative grade point average of at least "B"3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based on all high school units in which the student was enrolled; and~~

~~(2) Obtained a grade of at least "C" in each unit or one-half unit; or~~

~~b. (1) Obtained a cumulative grade point average of at least 3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based only on the units required by subsections 1 through 7 of this section; and~~

~~(2) Obtained a grade of at least "C" in each unit or one-half unit;~~

~~4-9. Receives~~Received a composite score of at least twenty-four on an ACT; and

~~5-10. a. Completes~~Fulfilled any one unit requirement set forth in subsections 1 through 7 of this section by means of an advanced placement course and examination; or

~~b. Fulfilled any one-half unit requirement set forth in subsections 1 through 7 of this section by means of a dual-credit course.~~

**SECTION 11. AMENDMENT.** Section 15.1-21-02.6 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.6. North Dakota scholarship - Amount - Applicability.**

1. ~~The state board of higher education shall provide to any student certified as being eligible by the superintendent of public instruction either a North Dakota academic scholarship or a North Dakota career and technical~~

education scholarship in the amount of seven hundred fifty dollars for each semester during which the student is enrolled full time at an accredited institution of higher education in this state and maintains a cumulative grade point average of 2.75. If a student is determined by the superintendent of public instruction to have met the requirements for a North Dakota career and technical education scholarship or a North Dakota academic scholarship, the student is eligible to receive:

- a. At the beginning of the student's first year of higher education, a scholarship in the amount of one thousand five hundred dollars, provided the student is enrolled full time at an accredited institution of higher education in this state; and
  - b. At the beginning of the semester marking the student's second year of higher education and each semester thereafter, a scholarship in the amount of seven hundred fifty dollars, provided that during the immediately preceding semester the student:
    - (1) Maintained a cumulative grade point average of 2.75; and
    - (2) Maintained enrollment, throughout the semester, in a minimum of fifteen units.
2. If at the conclusion of the first semester of the student's first year the state board of higher education determines that the student was unable to maintain a grade point average of 2.75, the board shall forward a letter of warning to the student and articulate the consequences with respect to the student's continued eligibility for a scholarship.
3. If at the conclusion of the student's first year, or any semester thereafter, a student has failed to meet the requirements for a scholarship, as set forth in subdivision b of subsection 1, the student, at the conclusion of the ensuing semester, may apply to the state board of higher education for reinstatement of the scholarship, provided the student can demonstrate compliance with the requirements of subdivision b of subsection 1. However, if a student fails to meet the requirements of subdivision b of subsection 1 for a second time, that student may not receive any additional scholarships under this section.
- 2.4. A student is not entitled to receive more than six thousand dollars in scholarships under this section.
- 3.5. The state board of higher education shall forward the scholarship all scholarships under this section directly to the institution in at which the student is enrolled.
- 4.6. This section does not require a student to be enrolled in consecutive semesters. However, a scholarship under this section is valid only for six academic years after the student's graduation from high school and may not be applied to graduate programs.
- 5.7. A scholarship under this section is available to any eligible student who graduates from a high school in this state or from a high school in a bordering state under chapter 15.1-29.

8. The state board of higher education shall monitor each scholarship recipient to ensure that the student meets the academic and other requirements of this section. Upon determining that a recipient student has failed to meet the requirements of this section, the board shall provide notification to the student within five days.

**SECTION 12.** A new section to chapter 15.1-21 of the North Dakota Century Code is created and enacted as follows:

**North Dakota scholarship fund - Biannual transfer - Continuing appropriation.**

1. Once each semester, the state board of higher education shall certify to the state treasurer the amount necessary to provide the North Dakota academic scholarships and the North Dakota career and technical education scholarships, as set forth in sections 15.1-21-02.4 and 15.1-21-02.5.
2. Upon receiving the certification, the state treasurer shall transfer the certified amount from the interest and other income of the lands and minerals trust fund to the North Dakota scholarship fund.
3. All moneys in the North Dakota scholarship fund are appropriated on a continuing basis to the state board of higher education for the exclusive purpose of providing North Dakota academic scholarships and North Dakota career and technical education scholarships.

**SECTION 13. AMENDMENT.** Section 15.1-21-08 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-08. Reading, mathematics, and science - Administration of test.**

- ~~1. The superintendent of public instruction shall administer to public school students a test that is aligned to the state content and achievement standards in reading and mathematics. This test must be administered to all public school students in at least one grade level selected within each of the following grade spans: grades three through five; grades six through nine; and grades ten through twelve. Beginning no later than the 2005-06 school year and annually thereafter, the superintendent of public instruction shall administer the reading and mathematics test annually to all public school students in grades three, four, five, six, seven, eight, and eleven.~~
- ~~2. Beginning no later than the 2007-08 school year and annually thereafter,~~ The superintendent of public instruction shall administer a test that is aligned to the state content and achievement standards in science. This test must be administered to all public school students in at least one grade level selected from three through five; in at least one grade level selected from six through nine; and in grade eleven. The superintendent of public instruction may not administer the grade eleven test after December first of each school year.

**SECTION 14. AMENDMENT.** Section 15.1-21-18 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-18. Career interest inventory - Educational and career planning - Consultation.**

1. A school district shall administer to students, once during their enrollment in grade seven or eight and once during their enrollment in grade nine or ten, a career interest inventory recommended by the department of career and technical education and approved by the superintendent of public instruction.
2. At least once during the seventh or eighth grade, each school district shall arrange for students to participate in either an individual consultative process or a nine-week course, for the purpose of discussing the results of their career interest inventory, selecting high school courses appropriate to their educational pursuits and career interests, and developing individual high school education plans.
3. Each school district shall notify its high school students that, upon request, a student is entitled to receive a consultative review of the student's individual high school education plan at least once during each high school grade. Upon the request of a student, the school district shall provide the consultative review.
4. Each school district shall verify compliance with the requirements of this section at the time and in the manner required by the superintendent of public instruction.

**SECTION 15. AMENDMENT.** Section 15.1-21-19 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-19. Summative assessment - Selection - Cost - Exemptions.**

1. Except as otherwise provided, each public and nonpublic school student in grade eleven shall take the ACT, including the writing test, or three WorkKeys assessments recommended by the department of career and technical education and approved by the superintendent of public instruction. The student shall determine which summative assessment to take. ~~The student's school district of residence~~ superintendent of public instruction is responsible for the cost of procuring and administering one summative assessment and its administration per student.
2. The student's career advisor or guidance counselor shall meet with the student to review the student's assessment results.
3. A school district superintendent or a school administrator in the case of a nonpublic school student may exempt a student from the requirements of this section if taking the test is not required by the student's individualized education program plan or if other special circumstances exist.
4. ~~If the superintendent of public instruction determines that the cost of the summative assessment and its administration can be reduced through use of a state procurement process, the superintendent shall work with the school districts to procure and arrange for the administration of the assessment and shall withhold each district's share of the total cost from any state aid otherwise payable to the district.~~ At the time and in the manner determined by the superintendent of public instruction, each

school district superintendent and each school administrator in the case of a nonpublic school shall report the number of eleventh grade students who:

- a. Took the ACT, including the writing test;
- b. Took the three WorkKeys assessments; and
- c. Were exempted from the requirements of this section, together with the reason for each exemption.

**SECTION 16. AMENDMENT.** Section 15.1-22-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-22-01. Kindergarten - Establishment by board - Request by parent - Levy.**

1. ~~Upon its own motion, the~~The board of a school district ~~may~~shall establish a free public kindergarten.
2. ~~If the board receives a written request to provide kindergarten from the parent of a student who will be enrolled in the kindergarten, the~~The board shall either provide at least a half-day kindergarten program for the ~~student~~any student enrolled in the district or pay the tuition required for the student to attend at least a half-day kindergarten program in another school district.
3. The board of a school district that establishes a kindergarten under this section may levy a tax pursuant to subdivision p of subsection 1 of section 57-15-14.2.

**SECTION 17. AMENDMENT.** Section 15.1-27-03.1 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-03.1. ~~(Effective through June 30, 2011) Weighted average daily membership - Determination.~~**

1. ~~For each school district, the superintendent of public instruction shall multiply by:~~
  - a. ~~1.00 the number of full-time equivalent students enrolled in a migrant summer program;~~
  - b. ~~1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;~~
  - c. ~~0.60 the number of full-time equivalent students enrolled in a summer education program;~~
  - d. ~~0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;~~
  - e. ~~0.30 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and are enrolled in a program of instruction for English language learners;~~

- ~~f. 0.25 the number of full-time equivalent students enrolled in an alternative high school;~~
  - ~~g. 0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
  - ~~h. 0.25 the number of full-time equivalent students enrolled in an isolated high school;~~
  - ~~i. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;~~
  - ~~j. 0.20 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be not proficient and are enrolled in a program of instruction for English language learners;~~
  - ~~k. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;~~
  - ~~l. 0.07 the number of students enrolled in average daily membership, in order to support the provision of special education services;~~
  - ~~m. 0.07 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be somewhat proficient and are enrolled in a program of instruction for English language learners;~~
  - ~~n. 0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; and~~
  - ~~o. 0.002 the number of students enrolled in average daily membership, in order to support technology.~~
- ~~2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.~~

**(Effective after June 30, 2014) Weighted average daily membership - Determination.**

1. For each school district, the superintendent of public instruction shall multiply by:
  - a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;
  - b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;
  - c. 0.60 the number of full-time equivalent students enrolled in a summer education program;
  - d. 0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;

- e. 0.30 the number of full-time equivalent students who-~~en~~:
  - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and placed in the first of six categories of proficiency; and-are
  - (2) Are enrolled in a program of instruction for English language learners;
- f. 0.25 the number of full-time equivalent students enrolled in an alternative high school;
- g. ~~0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
- h. ~~0.25 the number of full-time equivalent students enrolled in an isolated high school;~~
- i. ~~0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;~~
- ~~j-h.~~ 0.20 the number of full-time equivalent students who-~~en~~:
  - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be ~~not more~~ proficient than students placed in the first of six categories of proficiency and therefore placed in the second of six categories of proficiency; and-are
  - (2) Are enrolled in a program of instruction for English language learners;
- k-i. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;
- ~~t-j.~~ ~~0-070.~~ 10 the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average daily membership and the district consists of an area greater than two hundred seventy-five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students in average daily membership must be deemed to have an enrollment equal to fifty students in average daily membership;
- k. 0.073 the number of students enrolled in average daily membership, in order to support the provision of special education services;
- ~~m-l.~~ 0.07 the number of full-time equivalent students who-~~en~~:
  - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be somewhat more proficient and-are than students placed in the second of six categories of proficiency and therefore placed in the third of six categories of proficiency;

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- (2) Are enrolled in a program of instruction for English language learners; and
- (3) Have not been in the third of six categories of proficiency for more than three years;

- n.m. 0.025 the number of students representing that percentage of the total number of students in average daily membership which is equivalent to the three-year average percentage of students in grades three through eight who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.];
  - n. 0.006 the number of students enrolled in average daily membership in each public school in the district that:
    - (1) Has acquired and is utilizing the PowerSchool student information system;
    - (2) Has acquired and is in the process of implementing the PowerSchool student information system; or
    - (3) Will acquire the PowerSchool student information system during the current school year, provided the acquisition is contractually demonstrated; and
  - o. 0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; and
  - p. ~~0.002 the number of students enrolled in average daily membership, in order to support technology.~~
2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.

**SECTION 18. AMENDMENT.** Section 15.1-27-03.1 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-03.1. (Effective through June 30, 2011) Weighted average daily membership—Determination.**

- 1. ~~For each school district, the superintendent of public instruction shall multiply by:~~
  - a. ~~1.00 the number of full-time equivalent students enrolled in a migrant summer program;~~
  - b. ~~1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;~~
  - c. ~~0.60 the number of full-time equivalent students enrolled in a summer education program;~~
  - d. ~~0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;~~

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- e. ~~0.30 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and are enrolled in a program of instruction for English language learners;~~
  - f. ~~0.25 the number of full-time equivalent students enrolled in an alternative high school;~~
  - g. ~~0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
  - h. ~~0.25 the number of full-time equivalent students enrolled in an isolated high school;~~
  - i. ~~0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;~~
  - j. ~~0.20 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be not proficient and are enrolled in a program of instruction for English language learners;~~
  - k. ~~0.17 the number of full-time equivalent students enrolled in an early childhood special education program;~~
  - l. ~~0.07 the number of students enrolled in average daily membership, in order to support the provision of special education services;~~
  - m. ~~0.07 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be somewhat proficient and are enrolled in a program of instruction for English language learners;~~
  - n. ~~0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; and~~
  - o. ~~0.002 the number of students enrolled in average daily membership, in order to support technology.~~
2. ~~The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.~~

**(Effective after June 30, 2011) Weighted average daily membership - Determination.**

1. For each school district, the superintendent of public instruction shall multiply by:
  - a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;
  - b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;
  - c. 0.60 the number of full-time equivalent students enrolled in a summer education program;

- d. 0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;
- e. 0.30 the number of full-time equivalent students who ~~en~~:
  - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and placed in the first of six categories of proficiency; and are
  - (2) Are enrolled in a program of instruction for English language learners;
- f. 0.25 the number of full-time equivalent students enrolled in an alternative high school;
- g. ~~0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
- h. ~~0.25 the number of full-time equivalent students enrolled in an isolated high school;~~
- i. 0.20 the number of full-time equivalent students in grades six through eight enrolled in an alternative education program for at least an average of fifteen hours per week;
- h. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;
- j.i. 0.20 the number of full-time equivalent students who ~~en~~:
  - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be ~~not more~~ proficient than students placed in the first of six categories of proficiency and therefore placed in the second of six categories of proficiency; and are
  - (2) Are enrolled in a program of instruction for English language learners;
- k.j. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;
- l.k. ~~0.07~~ 0.10 the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average daily membership and the district consists of an area greater than two hundred seventy-five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students in average daily membership must be deemed to have an enrollment equal to fifty students in average daily membership;
- l. 0.073 the number of students enrolled in average daily membership, in order to support the provision of special education services;
- m. 0.07 the number of full-time equivalent students who ~~en~~;

(1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be somewhat more proficient and are than students placed in the second of six categories of proficiency;

(2) Are enrolled in a program of instruction for English language learners; and

(3) Have not been in the third of six categories of proficiency for more than three years;

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n. 0.025 the number of students representing that percentage of the total number of students in average daily membership which is equivalent to the three-year average percentage of students in grades three through eight who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.];

o. 0.006 the number of students enrolled in average daily membership in each public school in the district that:

(1) Has acquired and is utilizing the PowerSchool student information system;

(2) Has acquired and is in the process of implementing the PowerSchool student information system; or

(3) Will acquire the PowerSchool student information system during the current school year, provided the acquisition is contractually demonstrated; and

p. 0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; and

~~p. 0.002 the number of students enrolled in average daily membership, in order to support technology.~~

2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.

**SECTION 19. AMENDMENT.** Section 15.1-27-04 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-04. Per student payment rate.**

1. a. The per student payment rate to which each school district is entitled for the first year of the biennium is three thousand ~~two~~nine hundred ~~fifty~~ dollars. *sixty-one*

b. The per student payment rate to which each school district is entitled for the second year of the biennium is three thousand ~~seven~~nine hundred ~~seventy~~ninety dollars. *3961.00*

2. In order to determine the state aid payment to which each district is entitled, the superintendent of public instruction shall multiply each district's

weighted student units by the per student payment rate set forth in subsection 1.

**SECTION 20. AMENDMENT.** Section 15.1-27-07.2 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-07.2. Baseline funding - Determination - Minimum and maximum allowable increases.**

1. The superintendent of public instruction shall determine each school district's baseline funding per weighted student unit by:
  - a. Adding together all state aid received by the district during the 2006-07 school year;
  - b. Subtracting the amount received by the district during the 2006-07 school year for transportation aid, special education excess cost reimbursements, special education contracts, prior year funding adjustments, and per student payments for participation in educational associations governed by joint powers agreements; and
  - c. Dividing the amount determined under subdivision b by the district's 2007-08 weighted student units.
2.
  - a. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, for the 2009-10 school year, is at least equal to one hundred eight percent of the baseline funding per weighted student unit, as established in subsection 1.
  - b. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, for each school year after the 2009-10 school year, is at least equal to one hundred twelve and one-half percent of the baseline funding per weighted student unit, as established in subsection 1.
3.
  - a.—The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, less any amount received as equity payments under section 15.1-27-11 per weighted student unit, does not exceed, for the ~~2009-10~~2011-12 school year, one hundred ~~twenty~~forty-two percent of the baseline funding per weighted student unit, as established in subsection 1.
  - b.—~~The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, less any amount received as equity payments under section 15.1-27-11 per weighted student unit, does not exceed, for each school year after the 2009-10 school year, one hundred thirty-four percent of the baseline funding per weighted student unit, as established in subsection 1.~~

**SECTION 21. AMENDMENT.** Section 15.1-27-11 of the North Dakota Century Code is amended and reenacted as follows:

### 15.1-27-11. Equity payments.

1. The superintendent of public instruction shall:
  - a. Divide the imputed taxable valuation of the state by the total average daily membership of all school districts in the state in order to determine the state average imputed taxable valuation per student.
  - b. Divide the imputed taxable valuation of each school district by the district's total average daily membership in order to determine each district's average imputed taxable valuation per student.
2. If a school district's imputed taxable valuation per student is less than ninety percent of the statewide imputed taxable valuation per student, the superintendent of public instruction shall calculate the valuation deficiency by:
  - a. Determining the difference between ninety percent of the state average imputed taxable valuation per student and the district's average imputed taxable valuation per student; and
  - b. Multiplying that difference by the district's total average daily membership.
3. Except as provided in subsection 4, the equity payment to which a district is entitled under this section equals the district's valuation deficiency multiplied by the lesser of:
  - a. The district's general fund levy for the taxable year 2008; or
  - b. One hundred eighty-five mills.
4.
  - a. The equity payment to which a district is entitled may not exceed the district's taxable valuation multiplied by its general fund levy for the taxable year 2008.
  - b. If a district's general fund levy for the taxable year 2008 is less than one hundred eighty-five mills, the superintendent of public instruction shall subtract the district's general fund levy for the taxable year 2008 from one hundred eighty-five mills, multiply the result by the district's taxable valuation, and subtract that result from the equity payment to which the district is otherwise entitled.
  - c. If a district's imputed taxable valuation per student is less than fifty percent of the statewide imputed taxable valuation per student, the payment to which the district is entitled under this section may not be less than twenty percent of the statewide imputed taxable valuation per student times the school district's average daily membership, multiplied by one hundred eighty-five mills.
5. In determining the amount to which a school district is entitled under this section, the superintendent of public instruction may not include any payments received by the district as a result of Public Law No. 81-874 [64 Stat. 1100; 20 U.S.C. 236 et seq.] and may not include in the district's average daily membership students who are dependents of members of the armed forces and students who are dependents of civilian employees of the department of defense.

6. In determining the statewide average imputed taxable valuation per student for purposes of this section, the superintendent of public instruction may not include:
- a. Any school district, which if included in the calculation would have an imputed taxable valuation per student that is three times greater than the statewide average imputed taxable valuation per student; and
  - b. Any school district, which if included in the calculation would have an imputed taxable valuation per student that is less than one-fifth of the statewide average imputed taxable valuation per student.

7. For purposes of this section:

- a. "General fund levy" includes a district's high school transportation levy and its high school tuition levy.
- b. "Imputed taxable valuation" means the valuation of all taxable real property in the district plus:
  - (1) An amount determined by dividing seventy percent of the district's mineral and tuition revenue, revenue from payments in lieu of property taxes on distribution and transmission of electric power, revenue from payments in lieu of taxes from electricity generated from sources other than coal, and revenue received on account of the leasing of lands acquired by the United States for flood control, navigation, and allied purposes in accordance with 33 U.S.C. 701c-3 by the district's general fund mill levy for the taxable year 2008; and
  - (2) An amount determined by dividing the district's revenue from mobile home taxes and telecommunications taxes by the district's general fund mill levy for the taxable year 2008.
- c. "Mineral revenue" includes all revenue from county sources reported under code 2000 of the North Dakota school district financial accounting and reporting manual as developed by the superintendent of public instruction in accordance with section 15.1-02-08.
- d. "Tuition revenue" includes all revenue reported under code 1300 of the North Dakota school district financial accounting and reporting manual as developed by the superintendent of public instruction in accordance with section 15.1-02-08. "Tuition revenue" does not include tuition income received specifically for the operation of an educational program provided at a residential treatment facility.

**SECTION 22. AMENDMENT.** Section 15.1-27-35.3 of the North Dakota Century Code is amended and reenacted as follows:

**~~15.1-27-35.3. (Effective through June 30, 2011) Payments to school districts—Unobligated general fund balance—Report to legislative council.~~**

- ~~1. The superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of fifty percent of its actual expenditures, plus twenty thousand dollars. Beginning July 1, 2008, the superintendent of~~

~~public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty five percent of its actual expenditures, plus twenty thousand dollars.~~

- ~~2. In making the determination required by subsection 1, the superintendent of public instruction may not include in a district's unobligated general fund balance any moneys that:
  - ~~a. (1) Were received by the district during the school year ending June 30, 2009, on account of the leasing of lands acquired by the United States for flood control, navigation, and allied purposes in accordance with 33 U.S.C. 701e-3; and~~
  - ~~(2) Exceeded the amount received by the district during the school year ending June 30, 2008, for the purpose stated in paragraph 1;~~
  - ~~b. Were received directly by the district from the United States government in accordance with the American Recovery and Reinvestment Act of 2009; or~~
  - ~~c. Were received by the district as supplemental one-time grants under section 52 of S.L. 2009, ch. 175.~~~~
- ~~3. Any district having more than fifty thousand dollars excluded in the determination of its ending fund balance, as required by subsection 2, shall provide a report to the legislative council. The report, which must be presented at the time and in the manner directed by the legislative council, must address how the money was expended, including the number of mills by which the district was able to decrease its property taxes, if such was a permitted use.~~

**~~(Effective after June 30, 2011) Payments to school districts - Unobligated general fund balance.~~**

- ~~1. The superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of fifty percent of its actual expenditures, plus twenty thousand dollars. Beginning July 1, 2008, the superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty-five percent of its actual expenditures, plus twenty thousand dollars.~~
- ~~2. In making the determination required by subsection 1, the superintendent of public instruction may not include in a district's unobligated general fund balance any moneys that were received by the district from the federal education jobs fund program.~~

**SECTION 23. AMENDMENT.** Section 15.1-37-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-37-01. Early childhood education program - Approval.**

1. Any person or school district operating an early childhood education program may request approval of the program from the superintendent of public instruction. The superintendent shall approve an early childhood education program if the program:
  - 1-a. Is taught by individuals who are licensed to teach in early childhood education by the education standards and practices board;
  - 2-b. Follows a developmentally appropriate curriculum; ~~and~~
  - 3-c. Is in compliance with all municipal and state health, fire, and safety requirements; and
  - d. Limits its enrollment to children who have reached the age of four before August first of the year of enrollment.
2. Per student funding will not be provided to individuals or school districts offering a prekindergarten an early childhood education program.

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**SECTION 24. ISOLATED SCHOOLS - TRANSITION PAYMENTS.**

1. If during the 2010-11 school year a school district received payments as a result of section 15.1-27-15, as the section existed on June 30, 2011, and if that district is not eligible for the factor established under subdivision j of subsection 1 of section 15.1-27-03.1, the district is entitled to the following transition payments:
  - a. For the 2011-12 school year, an amount equal to that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011;
  - b. For the 2012-13 school year, an amount equal to seventy-five percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011;
  - c. For the 2013-14 school year, an amount equal to fifty percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011; and
  - d. For the 2014-15 school year, an amount equal to twenty-five percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011.
2. Upon the closure of a school that met the definition of isolated under section 15.1-27-15, as it existed on June 30, 2011, the superintendent of public instruction shall cease to provide to the district the transition payments established under subsection 1.

**SECTION 25. TRANSPORTATION GRANTS - DISTRIBUTION.**

1. During each year of the 2011-13 biennium, the superintendent of public instruction shall calculate the payment to which each school district is entitled based on the state transportation formula as it existed on June 30, 2001, except that the superintendent shall provide reimbursement at the rate of:



- a. One dollar and three cents per mile for schoolbuses having a capacity of ten or more passengers;
  - b. Forty-six cents per mile for vehicles having a capacity of nine or fewer passengers;
  - c. Forty-six cents per mile, one way, provided:
    - (1) The student being transported resides more than two miles from the public school that the student attends;
    - (2) The student is transported by an adult member of the student's family;
    - (3) The student is transported in a vehicle furnished by the student's parents; and
    - (4) The student's transportation is paid for by the student's parents; and
  - d. Twenty-six cents per student for each one-way trip.
2. The superintendent of public instruction shall use the latest available student enrollment count in each school district in applying the provisions of subsection 1.
  3. If any moneys provided for transportation payments in the grants transportation line item in the appropriation bill for the superintendent of public instruction, as approved by the sixty-second legislative assembly, remain after application of the formula provided for in this section, the superintendent of public instruction shall prorate the remaining amounts according to the percentage of the total transportation formula amount to which each school district is entitled.
  4. This section does not authorize the reimbursement of any costs incurred in providing transportation for student attendance at extracurricular activities or events.

**SECTION 26. FEDERAL EDUCATION JOBS FUND PROGRAM GRANTS - ALLOWABLE USES.**

1. Federal education jobs fund program grants distributed to school districts may be used only for:
  - a. The improvement, renovation, repair, or modernization of school buildings and facilities, including deferred maintenance; weatherization; heating, ventilation, and cooling projects; asbestos removal and abatement; security improvements; and laboratory improvements provided that the projects meet the approval requirements of section 15.1-36-01;
  - b. Building additions, provided the additions do not exceed twenty-five percent of the square footage of the building to which they are to be attached and further provided that the additions meet the approval requirements of section 15.1-36-01;

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- c. Equipment, including technological equipment, career and technical education equipment, vehicles for instructional purposes, and vehicles for student transportation;
  - d. Textbooks, instructional materials, and library media materials;
  - e. Title I expenditures; and
  - f. Professional development for teachers and administrators.
2. Each school district expending federal education jobs fund program grants shall file a report with the superintendent of public instruction, at the time and in the manner directed by the superintendent. The report must include a description of all expenditures, obligations, or other commitments made as a result of receiving a federal education jobs fund program grant. The superintendent shall compile the information and present it to the legislative council.

**SECTION 27. USE OF NEW MONEY - TEACHER COMPENSATION INCREASES - REPORTS TO THE LEGISLATIVE MANAGEMENT.**

- 1. During the 2011-13 biennium, the board of each school district shall use an amount equal to at least seventy percent of all new money received by the district for per student payments to increase the compensation paid to teachers and to provide compensation to teachers who begin employment with the district on or after July 1, 2011.
- 2. For purposes of this section, the superintendent of public instruction shall calculate the amount of new money received by a district during the 2011-13 biennium by:
  - a. Determining the total amount of state dollars received by each district during the 2009-11 biennium as per student payments, provided that equity payments, transportation payments, contingency distributions, mill levy reduction payments, and technology support payments are not to be included in the total;
  - b. Determining the total amount of state dollars received by each district during the 2011-13 biennium as per student payments, provided that the following are not to be included in the total:
    - (1) Contingent distributions;
    - (2) Cross-border attendance moneys;
    - (3) Deferred maintenance and physical plant improvements grants;
    - (4) Equity payments;
    - (5) Federal education jobs funds program moneys;
    - (6) Home-based education program monitoring moneys;
    - (7) Mill levy reduction payments;
    - (8) PowerSchool acquisition, implementation, and utilization moneys;

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- (9) Regional education association moneys and grants; and
  - (10) Transportation payments; and
- c. Subtracting the amount arrived at under subdivision a from the amount arrived at under subdivision b.
3. School districts providing educational services under a cooperative agreement approved by the superintendent of public instruction must, for purposes of this section, be treated as a single district.
  4.
    - a. This section does not apply to a school district if the board of the school district, after a public hearing at which public testimony and documentary evidence are accepted, determines in its discretion and by an affirmative vote of two-thirds of the members of the board that complying with subsection 1 would place the school district in the position of having insufficient fiscal resources to meet the school district's other obligations.
    - b. Within ten days of the vote required by subdivision a, the school board shall notify the superintendent of public instruction of its action and shall file a report detailing the grounds for its determination and action.
    - c. The superintendent of public instruction shall report all notices received under this subsection to the legislative management.

**SECTION 28. REGIONAL EDUCATION ASSOCIATIONS - GRANTS.** During the 2011-13 biennium, the superintendent of public instruction shall expend up to \$800,000 from the grants - state school aid line item in the appropriation bill for the superintendent of public instruction, as approved by the sixty-second legislative assembly, for the purpose of providing an annual grant to each eligible regional education association in order to assist each association with the cost of compensating a coordinator.

1. In order to receive a grant under this section, each regional education association must:
  - a. Enter a contract with an individual to serve as a coordinator, on a full-time or a part-time basis, for a duration of at least twelve months; and
  - b. Provide from other revenue sources at least thirty percent of the total compensation payable to the coordinator.
2. The maximum grant payable to a regional education association under this section during each year of the biennium is the lesser of \$50,000 or seventy percent of the total compensation payable to the coordinator.

**SECTION 29. APPROPRIATION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$150,000, or so much of the sum as may be necessary, to the department of commerce for the purpose of providing grants in the amount of \$1,200 on behalf of individuals seeking a child development associate credential, for the biennium beginning July 1, 2011, and ending June 30, 2013.

**SECTION 30. APPROPRIATION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$460,000,

or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of providing payments to eligible school districts that offer alternative education programs to students in grades six through eight, for the biennium beginning July 1, 2011, and ending June 30, 2013. In order to determine the payment per student, the superintendent of public instruction shall multiply the number of full-time equivalent students in grades six through eight who are enrolled during the 2012-13 school year in an average of at least fifteen hours per week of alternative education programming by a weighting factor that may not exceed 0.20.

**SECTION 31. APPROPRIATION - SCHOOL DISTRICT DEFERRED MAINTENANCE AND PHYSICAL PLANT IMPROVEMENT GRANTS.**

1. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$7,000,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of awarding to eligible school districts deferred maintenance and physical plant improvement grants, in accordance with the provisions of this section, for the biennium beginning July 1, 2011, and ending June 30, 2013.
2. If the office of management and budget determines by April 30, 2012, that the June 30, 2012, ending balance of the state general fund will be more than \$30,000,000 in excess of the amount predicted by the office of management and budget at the conclusion of the 2011 legislative session, the superintendent of public instruction shall forward to each eligible school district:
  - a. Ten thousand dollars; plus
  - b. The school district's pro rata share of the remaining appropriation, calculated by using the latest available average daily membership of each school district.
3. If the general fund balance requirements of subsection 2 are not met and if the office of management and budget determines by April 30, 2013, that the June 30, 2013, ending balance of the state general fund will be more than \$30,000,000 in excess of the amount predicted by the office of management and budget at the conclusion of the 2011 legislative session, the superintendent of public instruction shall forward to each eligible school district:
  - a. Ten thousand dollars; plus
  - b. The school district's pro rata share of the remaining appropriation, calculated by using the latest available average daily membership of each school district.
4. Each school district accepting funds under this section shall apply those funds toward deferred maintenance and physical plant improvements and shall, by June 30, 2014:
  - a. Submit to the superintendent of public instruction documentation indicating the appropriate expenditure of the funds; or
  - b. Return the funds to the superintendent of public instruction for deposit in the general fund.

5. For purposes of this section, an "eligible school district" is a school district that:
  - a. Has a general fund levy equal to at least one hundred fifty mills, before any reduction for property tax allocations under chapter 57-64;
  - b. Is not precluded from receiving state aid by the provisions of section 15.1-27-35.3; and
  - c. Provides an equal monetary match for any amount received under this section.

**SECTION 32. CONTINGENT MONEY.** If any money appropriated to the superintendent of public instruction for state aid payments to school districts remains after the superintendent complies with all statutory payment obligations imposed for the biennium beginning July 1, 2011, and ending June 30, 2013, the superintendent shall use the remaining moneys to provide additional per student payments on a prorated basis according to the latest available average daily membership of each school district.

**SECTION 33. CONTINGENT TRANSFER BY BANK OF NORTH DAKOTA FOR SPECIAL EDUCATION.** If during the biennium beginning July 1, 2011, and ending June 30, 2013, the superintendent of public instruction determines that, using all available sources, there are insufficient funds with which to fully reimburse school districts for the excess costs of serving the one percent of special education students statewide who require the greatest school district expenditures in order to be provided with special education and related services, the industrial commission shall transfer from the earnings and accumulated and undivided profits of the Bank of North Dakota the amount the superintendent of public instruction certifies is necessary to provide the statutorily required level of reimbursement. The superintendent of public instruction shall file for introduction legislation requesting that the sixty-third legislative assembly return any amount transferred under this section to the Bank of North Dakota.

**SECTION 34. ALL-DAY KINDERGARTEN - IMPACT REPORT.** Before December 31, 2011, and December 31, 2012, each school district that provided full-day kindergarten during the previous school year shall file a report with the superintendent of public instruction indicating the nature and extent of any measurable academic growth experienced by the students who were enrolled in the program.

**SECTION 35. LEGISLATIVE MANAGEMENT STUDY - TEACHER COMPENSATION REFORM.** During the 2011-12 interim, the legislative management shall consider studying ways to reform the manner in which teacher compensation is determined, with a view to recruiting, developing, and retaining a high-quality teaching workforce capable of significantly improving student performance. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-third legislative assembly.

*No Amend. Number*

**SECTION 36. REPEAL.** Section 15.1-27-15 of the North Dakota Century Code is repealed.

**SECTION 37. EFFECTIVE DATE.** Section 18 of this Act becomes effective on July 1, 2013."

Renumber accordingly

#32

Date: 2-8-11  
 Roll Call Vote # - 1-FF

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES  
 BILL/RESOLUTION NO. 2150

Senate Education Committee

Check here for Conference Committee

Legislative Council Amendment Number 11.0208.05040

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

Motion Made By Sen. Flakoll Seconded By Sen. Schaible

Senators	Yes	No	Senators	Yes	No
Chairman Layton Freborg	X		Senator Joan Heckaman	X	
Vice Chair Donald Schaible	X		Senator Richard Marcellais	X	
Senator Tim Flakoll	X				
Senator Gary A. Lee	X				
Senator Larry Luick	X				

Total (Yes) 7 No 0

Absent 0

Floor Assignment \_\_\_\_\_

If the vote is on an amendment, briefly indicate intent:  
Amendment incorporates all previous amendments to SB2150; including chg to sect. 19

February 8, 2011

PROPOSED AMENDMENTS TO SENATE BILL NO. 2150

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 15.1-09.1, a new section to chapter 15.1-18.2, and two new sections to chapter 15.1-21 of the North Dakota Century Code, relating to regional education associations, the professional development advisory committee, and North Dakota scholarships; to amend and reenact sections 15.1-07-33, 15.1-09-58, 15.1-09.1-02, 15.1-20-01, 15.1-21-02.1, 15.1-21-02.4, 15.1-21-02.5, 15.1-21-02.6, 15.1-21-08, 15.1-21-18, 15.1-21-19, 15.1-22-01, 15.1-27-03.1, 15.1-27-04, 15.1-27-07.2, 15.1-27-11, 15.1-27-35.3, and 15.1-37-01 of the North Dakota Century Code, relating to technology, regional education associations, curriculum requirements, assessments, scholarships, student consultations, compulsory attendance, age of admission, and state aid; to repeal section 15.1-27-15 of the North Dakota Century Code, relating to isolated schools; to provide an appropriation; to provide a continuing appropriation; to provide for compensation increases, transition payments, contingent payments, the use of federal education jobs fund program grants, and the distribution of transportation grants and regional education association grants; to provide for a legislative management study and reports; and to provide an effective date.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. AMENDMENT.** Section 15.1-07-33 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-07-33. Student information system - Statewide coordination - Financial support - Exemption.**

1. Notwithstanding any other technology requirements imposed by the superintendent of public instruction, the information technology department, or the North Dakota educational technology council, each school district shall acquire PowerSchool through the information technology department and use it as its principal student information system.
2. The superintendent of public instruction shall forward that portion of a school district's state aid which is payable by the superintendent under subdivision n of subsection 1 of section 15.1-27-03.1 directly to the information technology department to reimburse the department for the cost of the school district's acquisition, implementation, or utilization of PowerSchool and any related technology support services. The superintendent shall forward the amount payable under this subsection at the same time and in the same manner as provided for other state aid payments under section 15.1-27-01.
3. If the portion of a school district's state aid forwarded to the information technology department under subsection 2 exceeds the cost incurred by the information technology department in providing for the school district's acquisition, implementation, or utilization of PowerSchool and any related

technology support services, the information technology department shall return the excess moneys to the superintendent of public instruction for redistribution to the school district as per student payments.

4. The superintendent of public instruction may exempt a school district from having to acquire and utilize PowerSchool if the school district demonstrates that, in accordance with requirements of the bureau of Indian education, the district has acquired and is utilizing a student information system that is determined to be comparable by the superintendent.

**SECTION 2. AMENDMENT.** Section 15.1-09-58 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-09-58. ~~Prekindergarten program~~ Early childhood education - Authorization - Support.**

1. The board of a school district may establish ~~a prekindergarten~~ an early childhood education program and may ~~receive and expend any state support that program with:~~
  - a. Local tax revenues, other than those necessary to support the district's kindergarten program and the provision of elementary and high school educational services;
  - b. State moneys specifically appropriated for the program, any federal;
  - c. Federal funds specifically appropriated or approved for the program, and any gifts, and
  - d. Gifts, grants, and donations specifically given for the program.
2. For purposes of this section, state moneys specifically appropriated for an early childhood program are separate and distinct from those appropriated for special education early childhood programs, school readiness and parent education programs, and state aid for elementary and secondary education.

**SECTION 3. AMENDMENT.** Section 15.1-09.1-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-09.1-02. Regional education association - Joint powers agreement - Review by superintendent of public instruction - Criteria.**

~~Before~~ In order for a group of school districts ~~may~~ to be designated as a regional education association, the superintendent of public instruction shall review the joint powers agreement that the districts have entered and verify that: the requirements of this section have been met.

1. The school districts must:
  - a. Have a combined total land mass of at least five thousand eight hundred square miles [1502193 hectares];
  - b. (1) Have a combined total land mass of at least four thousand five hundred square miles [1165494 hectares]; and



- (2) Number at least twelve;
  - c. (1) Have a combined total land mass of at least four thousand square miles [1035995 hectares]; and
  - (2) Have at least three thousand students in average daily membership; or
  - d. (1) Have a combined total land mass of at least one thousand five hundred square miles [388498 hectares]; and
  - (2) Have at least seven thousand five hundred students in average daily membership.
2. The school districts ~~are~~must be contiguous to each other or, if the districts are not contiguous to each other, the superintendent of public instruction shall verify that the participating districts can provide sound educational opportunities to their students in a fiscally responsible manner without injuring other school districts or regional education associations and without negatively impacting the ability of other school districts or regional education associations to provide sound educational opportunities to their students in a fiscally responsible manner. A decision by the superintendent of public instruction under this subsection may be appealed to the state board of public school education. A decision by the state board is final.
3. The joint powers agreement ~~requires~~must require that the participating school districts maintain a joint operating fund ~~and share various administrative functions and student services in accordance with subsection 4.~~
4. ~~a. During the first two school years in which a regional education association is operational, each participating school district shall share in at least two administrative functions and two student services, selected by the district.~~
- ~~b. During the third and fourth school years in which a regional education association is operational, each participating school district shall share in at least three administrative functions and three student services, selected by the district.~~
- ~~c. During the fifth school year in which a regional education association is operational, and each year thereafter, each participating school district shall share at least five administrative functions and five student services, selected by the district.~~
- d. For purposes of this subsection:
- (1) "Administrative functions" means:
    - (a) Business management;
    - (b) Career and technical education services management;
    - (c) Curriculum mapping or development;
    - (d) Data analysis;
    - (e) Federal program support;

- ~~(f) — Federal title program management;~~
- ~~(g) — Grant writing;~~
- ~~(h) — School improvement;~~
- ~~(i) — School safety and environment management;~~
- ~~(j) — Special education services management;~~
- ~~(k) — Staff development;~~
- ~~(l) — Staff retention and recruitment;~~
- ~~(m) — Staff sharing;~~
- ~~(n) — Technology support; and~~
- ~~(o) — Any other functions approved by the superintendent of public instruction.~~

~~(2) — "Student services" means:~~

- ~~(a) — Advanced placement classes;~~
- ~~(b) — Alternative high schools or alternative high school programs;~~
- ~~(c) — Career and technical education classes;~~
- ~~(d) — Counseling services;~~
- ~~(e) — Common elementary curricula;~~
- ~~(f) — Distance learning classes;~~
- ~~(g) — Dual credit classes;~~
- ~~(h) — Foreign language classes;~~
- ~~(i) — Library and media services;~~
- ~~(j) — Summer programs;~~
- ~~(k) — Supplemental instruction programs; and~~
- ~~(l) — Any other services approved by the superintendent of public instruction.~~

~~e. — For purposes of this subsection, if a regional education association became operational before July 1, 2005, the 2005-06 school year must be considered the provider's first year of operation.~~

~~6. — The joint powers agreement provides must provide:~~

- ~~a. Criteria for the future participation of school districts that were not parties to the original joint powers agreement;~~
- ~~b. An application process by which school districts that were not parties to the original joint powers agreement can become participating districts; and~~

- c. A process by which school districts that were not parties to the original joint powers agreement and whose application to participate in the agreement was denied can appeal the decision to the superintendent of public instruction.
- 6-5. The joint powers agreement ~~provides~~must provide for the employment and compensation of staff.
- 7-6. The joint powers agreement must:
- a. ~~Establishes~~Establish the number of members on the governing board;
  - b. ~~Establishes~~Establish the manner in which members of the governing board are determined;
  - c. ~~Requires all members~~Require that each member of the governing board ~~or their designees to be individuals~~be an individual currently serving on the board of a participating school district ~~or the designee of a participating school district's board~~; and
  - d. ~~Allows~~Allow for the inclusion of ex officio nonvoting members on the governing board.
- 8-7. The joint powers agreement ~~provides~~must provide that the board of the regional education association shall meet at least quarterly.
- 9-8. The joint powers agreement ~~does~~may not permit the regional education association to compensate members of the regional education association board for attending meetings of the board and does not permit the regional education association to reimburse members of the board for any expenses incurred in attending meetings of the board.

**SECTION 4.** A new section to chapter 15.1-09.1 of the North Dakota Century Code is created and enacted as follows:

**Regional education association - Services to be offered.**

- 1. In order to be eligible for state funding, a regional education association must offer the following services to its member districts:
  - a. Coordination and facilitation of professional development activities for teachers and administrators employed by its member districts;
  - b. Supplementation of technology support services;
  - c. Assistance with achieving school improvement goals identified by the superintendent of public instruction;
  - d. Assistance with the collection, analysis, and interpretation of student achievement data; and
  - e. Assistance with the expansion and enrichment of curricular offerings.
- 2. Subsection 1 does not preclude a regional education association from offering additional services to its member districts.

**SECTION 5.** A new section to chapter 15.1-18.2 of the North Dakota Century Code is created and enacted as follows:

**Professional development advisory committee - Compensation of members.**

Each member of the professional development advisory committee is entitled to receive reimbursement for expenses as provided by law for state officers if the member is attending meetings or performing duties directed by the committee.

**SECTION 6. AMENDMENT.** Section 15.1-20-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-20-01. Compulsory attendance.**

A student's formal schooling must begin with a kindergarten program that meets the requirements of section 15.1-22-02 and must include all other grades from one through twelve.

1. a. Any person having responsibility for a child between the ages of seven~~six~~ and sixteen years shall ensure that the child is in attendance at a public school for the duration of each school year.  
b. Beginning July 1, 2015, any person having responsibility for a child between the ages of six and seventeen years shall ensure that the child is in attendance at a public school for the duration of each school year.
2. If a person enrolls a child of age ~~six~~five in a public school, the person shall ensure that the child is in attendance at the public school for the duration of each school year. The person may withdraw a child of age ~~six~~five from the public school. However, once the child is withdrawn, the person may not reenroll the child until the following school year. This subsection does not apply if the reason for the withdrawal is the child's relocation to another school district.
3. This section does not apply if a child is exempted under the provisions of section 15.1-20-02.

**SECTION 7. AMENDMENT.** Section 15.1-21-02.1 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.1. High school graduation ~~Diploma~~diploma - Minimum requirements.**

Except as provided in section 15.1-21-02.3, before a school district, a nonpublic high school, or the center for distance education issues a high school diploma to a student, the student must have successfully completed ~~the following twenty-two units of high school coursework:~~

- ~~1. Four units of English language arts from a sequence that includes literature, composition, and speech;~~
- ~~2. Three units of mathematics;~~
- ~~3. Three units of science, including:~~
  - ~~a. One unit of physical science;~~

- b. ~~One unit of biology; and~~
- e. ~~(1) One unit of any other science; or~~  
~~(2) Two one-half units of any other science;~~
- 4. ~~Three units of social studies, including:~~
  - a. ~~One unit of United States history;~~
  - b. ~~(1) One-half unit of United States government and one-half unit of economics; or~~  
~~(2) One unit of problems of democracy; and~~
  - e. ~~One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;~~
- 5. ~~a. One unit of physical education; or~~  
~~b. One-half unit of physical education and one-half unit of health;~~
- 6. ~~Three units of:~~
  - a. ~~Foreign languages;~~
  - b. ~~Native American languages;~~
  - e. ~~Fine arts; or~~
  - d. ~~Career and technical education courses; and~~
- 7. ~~Any five additional units.~~

1. The twenty-two units of high school coursework set forth in section 8 of this Act; and
2. Any additional units of high school coursework required by the issuing entity.

**SECTION 8.** A new section to chapter 15.1-21 of the North Dakota Century Code is created and enacted as follows:

**High school graduation - Minimum requirements.**

Except as provided in section 15.1-21-02.3, the following twenty-two units of high school coursework constitute the minimum requirement for high school graduation:

1. Four units of English language arts from a sequence that includes literature, composition, and speech;
2. Three units of mathematics;
3. Three units of science, including:
  - a. One unit of physical science;

- b. One unit of biology; and
- c. (1) One unit of any other science; or  
(2) Two one-half units of any other science;
- 4. Three units of social studies, including:
  - a. One unit of United States history;
  - b. (1) One-half unit of United States government and one-half unit of economics; or  
(2) One unit of problems of democracy; and
  - c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;
- 5. a. One unit of physical education; or  
b. One-half unit of physical education and one-half unit of health;
- 6. Three units of:
  - a. Foreign languages;
  - b. Native American languages;
  - c. Fine arts; or
  - d. Career and technical education courses; and
- 7. Any five additional units.

**SECTION 9. AMENDMENT.** Section 15.1-21-02.4 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.4. North Dakota career and technical education scholarship.**

Any resident student who graduates from a high school during or after the 2010-11 school year is eligible to receive a North Dakota career and technical education scholarship provided the student ~~completes all requirements set forth in subsections 1 through 5 and subsection 7 of section 15.1-21-02.1 for a high school diploma and:~~

- 1. Completed four units of English language arts from a sequence that includes literature, composition, and speech;
- 2. Completed three units of mathematics, including:
  - a. ~~Completes one~~One unit of algebra II, as defined by the superintendent of public instruction, ~~in fulfillment of the mathematics requirement set forth in subsection 2 of section 15.1-21-02.1; and~~
  - b. ~~Completes two~~Two units of any other mathematics;
- 3. Completed three units of science, including:

- a. One unit of physical science;
- b. One unit of biology; and
- c. (1) One unit of any other science; or  
(2) Two one-half units of any other science;
- 4. Completed three units of social studies, including:
  - a. One unit of United States history;
  - b. (1) One-half unit of United States government and one-half unit of economics; or  
(2) One unit of problems of democracy; and
  - c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;
- 5. a. Completed one unit of physical education; or  
b. One-half unit of physical education and one-half unit of health;
- 6. Completed:
  - a. One unit selected from:
    - (1) Foreign languages;
    - (2) Native American languages;
    - (3) American sign language;
    - (4) Fine arts; or
    - (5) Career and technical education courses; and
  - b. Two units of a coordinated plan of study recommended by the department of career and technical education and approved by the superintendent of public instruction; and
- ~~e.7.~~ Completed any five additional units, two of which must be in the area of career and technical education;
- ~~2.~~ Obtains a grade of at least "C" in each unit or one-half unit required for the diploma;
- ~~3.8.~~ a. (1) Obtains~~Obtained~~ a cumulative grade point average of at least "B"~~3.0 on a 4.0 grading scale~~, as determined by the superintendent of public instruction, based on all high school units in which the student was enrolled; and  
(2) Obtained a grade of at least "C" in each unit or one-half unit; or
- b. (1) Obtained a cumulative grade point average of at least 3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based only on the units required by subsections 1 through 7 of this section; and

- (2) Obtained a grade of at least "C" in each unit or one-half unit;  
and

4.9. Receives~~Received~~:

- a. A composite score of at least twenty-four on an ACT; or
- b. A score of at least five on each of three WorkKeys assessments recommended by the department of career and technical education and approved by the superintendent of public instruction.

**SECTION 10. AMENDMENT.** Section 15.1-21-02.5 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.5. North Dakota academic scholarship.**

Any resident student who graduates from a high school during or after the 2010-11 school year is eligible to receive a North Dakota academic scholarship provided the student ~~completes all requirements set forth in subsections 1 through 5 and subsection 7 of section 15.1-21-02.1 for a high school diploma and:~~

1. Completed four units of English language arts from a sequence that includes literature, composition, and speech;
2. Completed three units of mathematics, including:
  - a. ~~Completes one~~One unit of algebra II, as defined by the superintendent of public instruction, ~~in fulfillment of the mathematics requirement set forth in subsection 2 of section 15.1-21-02.1; and~~
  - b. ~~Completes one~~One additional unit of mathematics for which algebra II, as defined by the superintendent of public instruction, is a prerequisite; ~~and~~
- e-3. ~~Completes~~Completed three units of science, including:
  - a. One unit of physical science;
  - b. One unit of biology; and
  - c. (1) One unit of any other science; or  
(2) Two one-half units of any other science;
4. Completed three units of social studies, including:
  - a. One unit of United States history;
  - b. (1) One-half unit of United States government and one-half unit of economics; or  
(2) One unit of problems of democracy; and
  - c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;
5. a. Completed one unit of physical education; or



b. One-half unit of physical education and one-half unit of health;

6. a. Completed:

- (1) Two units of the same foreign or native American language;
- (2) ~~One unit of fine arts or career and technical education~~American sign language; and

~~(3)~~b. One unit of a foreign or native selected from:

- (1) Foreign languages;
- (2) Native American language, fine languages;
- (3) American sign language;
- (4) Fine arts, or career, or
- (5) Career and technical education;

~~2.~~ Obtains a grade of at least "C" in each unit or one-half unit required for the diploma;

~~3-7.~~ Obtains Completed any five additional units, one of which must be in the area of fine arts or career and technical education;

~~8.~~ a. (1) Obtained a cumulative grade point average of at least "B" ~~3.0~~ 3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based on all high school units in which the student was enrolled; and

(2) Obtained a grade of at least "C" in each unit or one-half unit; or

b. (1) Obtained a cumulative grade point average of at least 3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based only on the units required by subsections 1 through 7 of this section; and

(2) Obtained a grade of at least "C" in each unit or one-half unit;

~~4-9.~~ Receives Received a composite score of at least twenty-four on an ACT; and

~~5-10.~~ a. Completes Fulfilled any one unit requirement set forth in subsections 1 through 7 of this section by means of an advanced placement course and examination; or

b. Fulfilled any one-half unit requirement set forth in subsections 1 through 7 of this section by means of a dual-credit course.

**SECTION 11. AMENDMENT.** Section 15.1-21-02.6 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.6. North Dakota scholarship - Amount - Applicability.**

1. ~~The state board of higher education shall provide to any student certified as being eligible by the superintendent of public instruction either a North Dakota academic scholarship or a North Dakota career and technical~~

education scholarship in the amount of seven hundred fifty dollars for each semester during which the student is enrolled full time at an accredited institution of higher education in this state and maintains a cumulative grade point average of 2.75. If a student is determined by the superintendent of public instruction to have met the requirements for a North Dakota career and technical education scholarship or a North Dakota academic scholarship, the student is eligible to receive:

- a. At the beginning of the student's first year of higher education, a scholarship in the amount of one thousand five hundred dollars, provided the student is enrolled full time at an accredited institution of higher education in this state; and
  - b. At the beginning of the semester marking the student's second year of higher education and each semester thereafter, a scholarship in the amount of seven hundred fifty dollars, provided that during the immediately preceding semester the student:
    - (1) Maintained a cumulative grade point average of 2.75; and
    - (2) Maintained enrollment, throughout the semester, in a minimum of fifteen units.
2. If at the conclusion of the first semester of the student's first year the state board of higher education determines that the student was unable to maintain a grade point average of 2.75, the board shall forward a letter of warning to the student and articulate the consequences with respect to the student's continued eligibility for a scholarship.
3. If at the conclusion of the student's first year, or any semester thereafter, a student has failed to meet the requirements for a scholarship, as set forth in subdivision b of subsection 1, the student, at the conclusion of the ensuing semester, may apply to the state board of higher education for reinstatement of the scholarship, provided the student can demonstrate compliance with the requirements of subdivision b of subsection 1. However, if a student fails to meet the requirements of subdivision b of subsection 1 for a second time, that student may not receive any additional scholarships under this section.
- 2-4. A student is not entitled to receive more than six thousand dollars in scholarships under this section.
- 3-5. The state board of higher education shall forward the scholarship all scholarships under this section directly to the institution in which the student is enrolled.
- 4-6. This section does not require a student to be enrolled in consecutive semesters. However, a scholarship under this section is valid only for six academic years after the student's graduation from high school and may not be applied to graduate programs.
- 5-7. A scholarship under this section is available to any eligible student who graduates from a high school in this state or from a high school in a bordering state under chapter 15.1-29.

8. The state board of higher education shall monitor each scholarship recipient to ensure that the student meets the academic and other requirements of this section. Upon determining that a recipient student has failed to meet the requirements of this section, the board shall provide notification to the student within five days.

**SECTION 12.** A new section to chapter 15.1-21 of the North Dakota Century Code is created and enacted as follows:

**North Dakota scholarship fund - Biannual transfer - Continuing appropriation.**

1. Once each semester, the state board of higher education shall certify to the state treasurer the amount necessary to provide the North Dakota academic scholarships and the North Dakota career and technical education scholarships, as set forth in sections 15.1-21-02.4 and 15.1-21-02.5.
2. Upon receiving the certification, the state treasurer shall transfer the certified amount from the interest and other income of the lands and minerals trust fund to the North Dakota scholarship fund.
3. All moneys in the North Dakota scholarship fund are appropriated on a continuing basis to the state board of higher education for the exclusive purpose of providing North Dakota academic scholarships and North Dakota career and technical education scholarships.

**SECTION 13. AMENDMENT.** Section 15.1-21-08 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-08. Reading, mathematics, and science - Administration of test.**

1. The superintendent of public instruction shall administer to public school students a test that is aligned to the state content and achievement standards in reading and mathematics. This test must be administered to ~~all public school students in at least one grade level selected within each of the following grade spans: grades three through five; grades six through nine; and grades ten through twelve. Beginning no later than the 2005-06 school year and annually thereafter, the superintendent of public instruction shall administer the reading and mathematics test annually to all~~ public school students in grades three, four, five, six, seven, eight, and eleven.
2. ~~Beginning no later than the 2007-08 school year and annually thereafter,~~ The superintendent of public instruction shall administer a test that is aligned to the state content and achievement standards in science. This test must be administered to all public school students in at least one grade level selected from three through five; in at least one grade level selected from six through nine; and in grade eleven. The superintendent of public instruction may not administer the grade eleven test after December first of each school year.

**SECTION 14. AMENDMENT.** Section 15.1-21-18 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-18. Career interest inventory - Educational and career planning - Consultation.**

1. A school district shall administer to students, once during their enrollment in grade seven or eight and once during their enrollment in grade nine or ten, a career interest inventory recommended by the department of career and technical education and approved by the superintendent of public instruction.
2. At least once during the seventh or eighth grade, each school district shall arrange for students to participate in either an individual consultative process or a nine-week course, for the purpose of discussing the results of their career interest inventory, selecting high school courses appropriate to their educational pursuits and career interests, and developing individual high school education plans.
3. Each school district shall notify its high school students that, upon request, a student is entitled to receive a consultative review of the student's individual high school education plan at least once during each high school grade. Upon the request of a student, the school district shall provide the consultative review.
4. Each school district shall verify compliance with the requirements of this section at the time and in the manner required by the superintendent of public instruction.

**SECTION 15. AMENDMENT.** Section 15.1-21-19 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-19. Summative assessment - Selection - Cost - Exemptions.**

1. Except as otherwise provided, each public and nonpublic school student in grade eleven shall take the ACT, including the writing test, or three WorkKeys assessments recommended by the department of career and technical education and approved by the superintendent of public instruction. The student shall determine which summative assessment to take. ~~The student's school district of residence~~ superintendent of public instruction is responsible for the cost of procuring and administering one summative assessment ~~and its administration~~ per student.
2. The student's career advisor or guidance counselor shall meet with the student to review the student's assessment results.
3. A school district superintendent or a school administrator in the case of a nonpublic school student may exempt a student from the requirements of this section if taking the test is not required by the student's individualized education program plan or if other special circumstances exist.
4. ~~If the superintendent of public instruction determines that the cost of the summative assessment and its administration can be reduced through use of a state procurement process, the superintendent shall work with the school districts to procure and arrange for the administration of the assessment and shall withhold each district's share of the total cost from any state aid otherwise payable to the district. At the time and in the manner determined by the superintendent of public instruction, each~~

school district superintendent and each school administrator in the case of a nonpublic school shall report the number of eleventh grade students who:

- a. Took the ACT, including the writing test;
- b. Took the three WorkKeys assessments; and
- c. Were exempted from the requirements of this section, together with the reason for each exemption.

**SECTION 16. AMENDMENT.** Section 15.1-22-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-22-01. Kindergarten - Establishment by board - Request by parent - Levy.**

1. ~~Upon its own motion, the~~The board of a school district ~~may~~shall establish a free public kindergarten.
2. ~~If the board receives a written request to provide kindergarten from the parent of a student who will be enrolled in the kindergarten, the~~The board shall either provide at least a half-day kindergarten program for the ~~student~~any student enrolled in the district or pay the tuition required for the student to attend at least a half-day kindergarten program in another school district.
3. The board of a school district that establishes a kindergarten under this section may levy a tax pursuant to subdivision p of subsection 1 of section 57-15-14.2.

**SECTION 17. AMENDMENT.** Section 15.1-27-03.1 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-03.1. ~~(Effective through June 30, 2011) Weighted average daily membership - Determination.~~**

- ~~1. For each school district, the superintendent of public instruction shall multiply by:~~
  - ~~a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;~~
  - ~~b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;~~
  - ~~c. 0.60 the number of full-time equivalent students enrolled in a summer education program;~~
  - ~~d. 0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;~~
  - ~~e. 0.30 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and are enrolled in a program of instruction for English language learners;~~

- ~~f. 0.25 the number of full-time equivalent students enrolled in an alternative high school;~~
- ~~g. 0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
- ~~h. 0.25 the number of full-time equivalent students enrolled in an isolated high school;~~
- ~~i. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;~~
- ~~j. 0.20 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be not proficient and are enrolled in a program of instruction for English language learners;~~
- ~~k. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;~~
- ~~l. 0.07 the number of students enrolled in average daily membership, in order to support the provision of special education services;~~
- ~~m. 0.07 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be somewhat proficient and are enrolled in a program of instruction for English language learners;~~
- ~~n. 0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; and~~
- ~~o. 0.002 the number of students enrolled in average daily membership, in order to support technology.~~

~~2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.~~

**(Effective after June 30, 2011) Weighted average daily membership - Determination.**

1. For each school district, the superintendent of public instruction shall multiply by:
  - a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;
  - b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;
  - c. 0.60 the number of full-time equivalent students enrolled in a summer education program;
  - d. 0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;

- e. 0.30 the number of full-time equivalent students who—~~are~~;
- (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and placed in the first of six categories of proficiency; and are
  - (2) Are enrolled in a program of instruction for English language learners;
- f. 0.25 the number of full-time equivalent students enrolled in an alternative high school;
- g. ~~0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
- h. ~~0.25 the number of full-time equivalent students enrolled in an isolated high school;~~
- i. ~~0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;~~
- j-h. 0.20 the number of full-time equivalent students who—~~are~~;
- (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be ~~not more~~ proficient than students placed in the first of six categories of proficiency and therefore placed in the second of six categories of proficiency; and are
  - (2) Are enrolled in a program of instruction for English language learners;
- k-l. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;
- t-l. ~~0.07~~ 0.10 the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average daily membership and the district consists of an area greater than two hundred seventy-five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students in average daily membership must be deemed to have an enrollment equal to fifty students in average daily membership;
- k. ~~0.073~~ 0.073 the number of students enrolled in average daily membership, in order to support the provision of special education services;
- m-l. 0.07 the number of full-time equivalent students who—~~are~~;
- (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be somewhat more proficient and are than students placed in the second of six categories of proficiency and therefore placed in the third of six categories of proficiency;

(2) Are enrolled in a program of instruction for English language learners; and

(3) Have not been in the third of six categories of proficiency for more than three years;

~~n.m.~~ 0.025 the number of students representing that percentage of the total number of students in average daily membership which is equivalent to the three-year average percentage of students in grades three through eight who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.];

~~n.~~ 0.006 the number of students enrolled in average daily membership in each public school in the district that:

(1) Has acquired and is utilizing the PowerSchool student information system;

(2) Has acquired and is in the process of implementing the PowerSchool student information system; or

(3) Will acquire the PowerSchool student information system during the current school year, provided the acquisition is contractually demonstrated; and

~~o.~~ 0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; and

~~p.~~ ~~0.002 the number of students enrolled in average daily membership, in order to support technology.~~

2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.

**SECTION 18. AMENDMENT.** Section 15.1-27-03.1 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-03.1. ~~(Effective through June 30, 2011) Weighted average daily membership - Determination.~~**

~~1. For each school district, the superintendent of public instruction shall multiply by:~~

~~a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;~~

~~b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;~~

~~c. 0.60 the number of full-time equivalent students enrolled in a summer education program;~~

~~d. 0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;~~



- e. ~~0.30 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and are enrolled in a program of instruction for English language learners;~~
  - f. ~~0.25 the number of full-time equivalent students enrolled in an alternative high school;~~
  - g. ~~0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
  - h. ~~0.25 the number of full-time equivalent students enrolled in an isolated high school;~~
  - i. ~~0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;~~
  - j. ~~0.20 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be not proficient and are enrolled in a program of instruction for English language learners;~~
  - k. ~~0.17 the number of full-time equivalent students enrolled in an early childhood special education program;~~
  - l. ~~0.07 the number of students enrolled in average daily membership, in order to support the provision of special education services;~~
  - m. ~~0.07 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be somewhat proficient and are enrolled in a program of instruction for English language learners;~~
  - n. ~~0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; and~~
  - o. ~~0.002 the number of students enrolled in average daily membership, in order to support technology.~~
2. ~~The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.~~

**(Effective after June 30, 2011) Weighted average daily membership - Determination.**

1. For each school district, the superintendent of public instruction shall multiply by:
  - a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;
  - b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;
  - c. 0.60 the number of full-time equivalent students enrolled in a summer education program;

- d. 0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;
- e. 0.30 the number of full-time equivalent students who ~~are~~:
  - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and placed in the first of six categories of proficiency; and are
  - (2) Are enrolled in a program of instruction for English language learners;
- f. 0.25 the number of full-time equivalent students enrolled in an alternative high school;
- g. ~~0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
- h. ~~0.25 the number of full-time equivalent students enrolled in an isolated high school;~~
- i. ~~0.20 the number of full-time equivalent students in grades six through eight enrolled in an alternative education program for at least an average of fifteen hours per week;~~
- h. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;
- j.l. 0.20 the number of full-time equivalent students who ~~are~~:
  - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be ~~not more~~ proficient than students placed in the first of six categories of proficiency and therefore placed in the second of six categories of proficiency; and are
  - (2) Are enrolled in a program of instruction for English language learners;
- k.i. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;
- l.k. ~~0.070~~.10 the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average daily membership and the district consists of an area greater than two hundred seventy-five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students in average daily membership must be deemed to have an enrollment equal to fifty students in average daily membership;
- l. 0.073 the number of students enrolled in average daily membership, in order to support the provision of special education services;
- m. 0.07 the number of full-time equivalent students who ~~are~~;

- (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be somewhat more proficient and are than students placed in the second of six categories of proficiency;
  - (2) Are enrolled in a program of instruction for English language learners; and
  - (3) Have not been in the third of six categories of proficiency for more than three years;
- n. 0.025 the number of students representing that percentage of the total number of students in average daily membership which is equivalent to the three-year average percentage of students in grades three through eight who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.];
- o. 0.006 the number of students enrolled in average daily membership in each public school in the district that:
- (1) Has acquired and is utilizing the PowerSchool student information system;
  - (2) Has acquired and is in the process of implementing the PowerSchool student information system; or
  - (3) Will acquire the PowerSchool student information system during the current school year, provided the acquisition is contractually demonstrated; and
- p. 0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; ~~and~~
- ~~p. 0.002 the number of students enrolled in average daily membership, in order to support technology.~~
2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.

**SECTION 19. AMENDMENT.** Section 15.1-27-04 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-04. Per student payment rate.**

1. a. The per student payment rate to which each school district is entitled for the first year of the biennium is three thousand ~~twenine~~ sixty-one hundred dollars.
  - b. The per student payment rate to which each school district is entitled for the second year of the biennium is three thousand ~~severnine~~ sixty-one hundred ~~seventy-ninesixty-one~~ dollars.
2. In order to determine the state aid payment to which each district is entitled, the superintendent of public instruction shall multiply each district's

weighted student units by the per student payment rate set forth in subsection 1.

**SECTION 20. AMENDMENT.** Section 15.1-27-07.2 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-07.2. Baseline funding - Determination - Minimum and maximum allowable increases.**

1. The superintendent of public instruction shall determine each school district's baseline funding per weighted student unit by:
  - a. Adding together all state aid received by the district during the 2006-07 school year;
  - b. Subtracting the amount received by the district during the 2006-07 school year for transportation aid, special education excess cost reimbursements, special education contracts, prior year funding adjustments, and per student payments for participation in educational associations governed by joint powers agreements; and
  - c. Dividing the amount determined under subdivision b by the district's 2007-08 weighted student units.
2.
  - a. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, for the 2009-10 school year, is at least equal to one hundred eight percent of the baseline funding per weighted student unit, as established in subsection 1.
  - b. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, for each school year after the 2009-10 school year, is at least equal to one hundred twelve and one-half percent of the baseline funding per weighted student unit, as established in subsection 1.
3.
  - a.—The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, less any amount received as equity payments under section 15.1-27-11 per weighted student unit, does not exceed, for the ~~2009-10~~2011-12 school year, one hundred ~~twenty-four~~twenty-two percent of the baseline funding per weighted student unit, as established in subsection 1.
  - b.—~~The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, less any amount received as equity payments under section 15.1-27-11 per weighted student unit, does not exceed, for each school year after the 2009-10 school year, one hundred thirty-four percent of the baseline funding per weighted student unit, as established in subsection 1.~~

**SECTION 21. AMENDMENT.** Section 15.1-27-11 of the North Dakota Century Code is amended and reenacted as follows:

### 15.1-27-11. Equity payments.

1. The superintendent of public instruction shall:
  - a. Divide the imputed taxable valuation of the state by the total average daily membership of all school districts in the state in order to determine the state average imputed taxable valuation per student.
  - b. Divide the imputed taxable valuation of each school district by the district's total average daily membership in order to determine each district's average imputed taxable valuation per student.
2. If a school district's imputed taxable valuation per student is less than ninety percent of the statewide imputed taxable valuation per student, the superintendent of public instruction shall calculate the valuation deficiency by:
  - a. Determining the difference between ninety percent of the state average imputed taxable valuation per student and the district's average imputed taxable valuation per student; and
  - b. Multiplying that difference by the district's total average daily membership.
3. Except as provided in subsection 4, the equity payment to which a district is entitled under this section equals the district's valuation deficiency multiplied by the lesser of:
  - a. The district's general fund levy for the taxable year 2008; or
  - b. One hundred eighty-five mills.
4.
  - a. The equity payment to which a district is entitled may not exceed the district's taxable valuation multiplied by its general fund levy for the taxable year 2008.
  - b. If a district's general fund levy for the taxable year 2008 is less than one hundred eighty-five mills, the superintendent of public instruction shall subtract the district's general fund levy for the taxable year 2008 from one hundred eighty-five mills, multiply the result by the district's taxable valuation, and subtract that result from the equity payment to which the district is otherwise entitled.
  - c. If a district's imputed taxable valuation per student is less than fifty percent of the statewide imputed taxable valuation per student, the payment to which the district is entitled under this section may not be less than twenty percent of the statewide imputed taxable valuation per student times the school district's average daily membership, multiplied by one hundred eighty-five mills.
5. In determining the amount to which a school district is entitled under this section, the superintendent of public instruction may not include any payments received by the district as a result of Public Law No. 81-874 [64 Stat. 1100; 20 U.S.C. 236 et seq.] and may not include in the district's average daily membership students who are dependents of members of the armed forces and students who are dependents of civilian employees of the department of defense.

6. In determining the statewide average imputed taxable valuation per student for purposes of this section, the superintendent of public instruction may not include:

- a. Any school district, which if included in the calculation would have an imputed taxable valuation per student that is three times greater than the statewide average imputed taxable valuation per student; and
- b. Any school district, which if included in the calculation would have an imputed taxable valuation per student that is less than one-fifth of the statewide average imputed taxable valuation per student.

7. For purposes of this section:

- a. "General fund levy" includes a district's high school transportation levy and its high school tuition levy.
- b. "Imputed taxable valuation" means the valuation of all taxable real property in the district plus:
  - (1) An amount determined by dividing seventy percent of the district's mineral and tuition revenue, revenue from payments in lieu of property taxes on distribution and transmission of electric power, revenue from payments in lieu of taxes from electricity generated from sources other than coal, and revenue received on account of the leasing of lands acquired by the United States for flood control, navigation, and allied purposes in accordance with 33 U.S.C. 701c-3 by the district's general fund mill levy for the taxable year 2008; and
  - (2) An amount determined by dividing the district's revenue from mobile home taxes and telecommunications taxes by the district's general fund mill levy for the taxable year 2008.
- c. "Mineral revenue" includes all revenue from county sources reported under code 2000 of the North Dakota school district financial accounting and reporting manual as developed by the superintendent of public instruction in accordance with section 15.1-02-08.
- d. "Tuition revenue" includes all revenue reported under code 1300 of the North Dakota school district financial accounting and reporting manual as developed by the superintendent of public instruction in accordance with section 15.1-02-08. "Tuition revenue" does not include tuition income received specifically for the operation of an educational program provided at a residential treatment facility.

**SECTION 22. AMENDMENT.** Section 15.1-27-35.3 of the North Dakota Century Code is amended and reenacted as follows:

**~~15.1-27-35.3. (Effective through June 30, 2011) Payments to school districts—Unobligated general fund balance—Report to legislative council.~~**

- ~~1. The superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of fifty percent of its actual expenditures, plus twenty thousand dollars. Beginning July 1, 2008, the superintendent of~~

~~public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty-five percent of its actual expenditures, plus twenty thousand dollars.~~

~~2. In making the determination required by subsection 1, the superintendent of public instruction may not include in a district's unobligated general fund balance any moneys that:~~

~~a. (1) Were received by the district during the school year ending June 30, 2009, on account of the leasing of lands acquired by the United States for flood control, navigation, and allied purposes in accordance with 33 U.S.C. 701e-3; and~~

~~(2) Exceeded the amount received by the district during the school year ending June 30, 2008, for the purpose stated in paragraph 1;~~

~~b. Were received directly by the district from the United States government in accordance with the American Recovery and Reinvestment Act of 2009; or~~

~~e. Were received by the district as supplemental one-time grants under section 52 of S.L. 2009, ch. 176.~~

~~3. Any district having more than fifty thousand dollars excluded in the determination of its ending fund balance, as required by subsection 2, shall provide a report to the legislative council. The report, which must be presented at the time and in the manner directed by the legislative council, must address how the money was expended, including the number of mills by which the district was able to decrease its property taxes, if such was a permitted use.~~

~~(Effective after June 30, 2011) Payments to school districts - Unobligated general fund balance.~~

~~1. The superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of fifty percent of its actual expenditures, plus twenty thousand dollars. Beginning July 1, 2008, the superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty-five percent of its actual expenditures, plus twenty thousand dollars.~~

~~2. In making the determination required by subsection 1, the superintendent of public instruction may not include in a district's unobligated general fund balance any moneys that were received by the district from the federal education jobs fund program.~~

**SECTION 23. AMENDMENT.** Section 15.1-37-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-37-01. Early childhood education program - Approval.**

1. Any person or school district operating an early childhood education program may request approval of the program from the superintendent of public instruction. The superintendent shall approve an early childhood education program if the program:
  - 1-a. Is taught by individuals who are licensed to teach in early childhood education by the education standards and practices board;
  - 2-b. Follows a developmentally appropriate curriculum; ~~and~~
  - 3-c. Is in compliance with all municipal and state health, fire, and safety requirements; and
  - d. Limits its enrollment to children who have reached the age of four before August first of the year of enrollment.
2. Per student funding will not be provided to individuals or school districts offering a prekindergarten an early childhood education program.

**SECTION 24. ISOLATED SCHOOLS - TRANSITION PAYMENTS.**

1. If during the 2010-11 school year a school district received payments as a result of section 15.1-27-15, as the section existed on June 30, 2011, and if that district is not eligible for the factor established under subdivision j of subsection 1 of section 15.1-27-03.1, the district is entitled to the following transition payments:
  - a. For the 2011-12 school year, an amount equal to that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011;
  - b. For the 2012-13 school year, an amount equal to seventy-five percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011;
  - c. For the 2013-14 school year, an amount equal to fifty percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011; and
  - d. For the 2014-15 school year, an amount equal to twenty-five percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011.
2. Upon the closure of a school that met the definition of isolated under section 15.1-27-15, as it existed on June 30, 2011, the superintendent of public instruction shall cease to provide to the district the transition payments established under subsection 1.

**SECTION 25. TRANSPORTATION GRANTS - DISTRIBUTION.**

1. During each year of the 2011-13 biennium, the superintendent of public instruction shall calculate the payment to which each school district is entitled based on the state transportation formula as it existed on June 30, 2001, except that the superintendent shall provide reimbursement at the rate of:



- a. One dollar and three cents per mile for schoolbuses having a capacity of ten or more passengers;
  - b. Forty-six cents per mile for vehicles having a capacity of nine or fewer passengers;
  - c. Forty-six cents per mile, one way, provided:
    - (1) The student being transported resides more than two miles from the public school that the student attends;
    - (2) The student is transported by an adult member of the student's family;
    - (3) The student is transported in a vehicle furnished by the student's parents; and
    - (4) The student's transportation is paid for by the student's parents; and
  - d. Twenty-six cents per student for each one-way trip.
2. The superintendent of public instruction shall use the latest available student enrollment count in each school district in applying the provisions of subsection 1.
  3. If any moneys provided for transportation payments in the grants transportation line item in the appropriation bill for the superintendent of public instruction, as approved by the sixty-second legislative assembly, remain after application of the formula provided for in this section, the superintendent of public instruction shall prorate the remaining amounts according to the percentage of the total transportation formula amount to which each school district is entitled.
  4. This section does not authorize the reimbursement of any costs incurred in providing transportation for student attendance at extracurricular activities or events.

**SECTION 26. FEDERAL EDUCATION JOBS FUND PROGRAM GRANTS - ALLOWABLE USES.**

1. Federal education jobs fund program grants distributed to school districts may be used only for:
  - a. The improvement, renovation, repair, or modernization of school buildings and facilities, including deferred maintenance; weatherization; heating, ventilation, and cooling projects; asbestos removal and abatement; security improvements; and laboratory improvements provided that the projects meet the approval requirements of section 15.1-36-01;
  - b. Building additions, provided the additions do not exceed twenty-five percent of the square footage of the building to which they are to be attached and further provided that the additions meet the approval requirements of section 15.1-36-01;

- c. Equipment, including technological equipment, career and technical education equipment, vehicles for instructional purposes, and vehicles for student transportation;
  - d. Textbooks, instructional materials, and library media materials;
  - e. Title I expenditures; and
  - f. Professional development for teachers and administrators.
2. Each school district expending federal education jobs fund program grants shall file a report with the superintendent of public instruction, at the time and in the manner directed by the superintendent. The report must include a description of all expenditures, obligations, or other commitments made as a result of receiving a federal education jobs fund program grant. The superintendent shall compile the information and present it to the legislative council.

**SECTION 27. USE OF NEW MONEY - TEACHER COMPENSATION INCREASES - REPORTS TO THE LEGISLATIVE MANAGEMENT.**

1. During the 2011-13 biennium, the board of each school district shall use an amount equal to at least seventy percent of all new money received by the district for per student payments to increase the compensation paid to teachers and to provide compensation to teachers who begin employment with the district on or after July 1, 2011.
2. For purposes of this section, the superintendent of public instruction shall calculate the amount of new money received by a district during the 2011-13 biennium by:
  - a. Determining the total amount of state dollars received by each district during the 2009-11 biennium as per student payments, provided that equity payments, transportation payments, contingency distributions, mill levy reduction payments, and technology support payments are not to be included in the total;
  - b. Determining the total amount of state dollars received by each district during the 2011-13 biennium as per student payments, provided that the following are not to be included in the total:
    - (1) Contingent distributions;
    - (2) Cross-border attendance moneys;
    - (3) Deferred maintenance and physical plant improvements grants;
    - (4) Equity payments;
    - (5) Federal education jobs funds program moneys;
    - (6) Home-based education program monitoring moneys;
    - (7) Mill levy reduction payments;
    - (8) PowerSchool acquisition, implementation, and utilization moneys;

- (9) Regional education association moneys and grants; and
- (10) Transportation payments; and
- c. Subtracting the amount arrived at under subdivision a from the amount arrived at under subdivision b.
- 3. School districts providing educational services under a cooperative agreement approved by the superintendent of public instruction must, for purposes of this section, be treated as a single district.
- 4. a. This section does not apply to a school district if the board of the school district, after a public hearing at which public testimony and documentary evidence are accepted, determines in its discretion and by an affirmative vote of two-thirds of the members of the board that complying with subsection 1 would place the school district in the position of having insufficient fiscal resources to meet the school district's other obligations.
- b. Within ten days of the vote required by subdivision a, the school board shall notify the superintendent of public instruction of its action and shall file a report detailing the grounds for its determination and action.
- c. The superintendent of public instruction shall report all notices received under this subsection to the legislative management.

**SECTION 28. REGIONAL EDUCATION ASSOCIATIONS - GRANTS.** During the 2011-13 biennium, the superintendent of public instruction shall expend up to \$800,000 from the grants - state school aid line item in the appropriation bill for the superintendent of public instruction, as approved by the sixty-second legislative assembly, for the purpose of providing an annual grant to each eligible regional education association in order to assist each association with the cost of compensating a coordinator.

- 1. In order to receive a grant under this section, each regional education association must:
  - a. Enter a contract with an individual to serve as a coordinator, on a full-time or a part-time basis, for a duration of at least twelve months; and
  - b. Provide from other revenue sources at least thirty percent of the total compensation payable to the coordinator.
- 2. The maximum grant payable to a regional education association under this section during each year of the biennium is the lesser of \$50,000 or seventy percent of the total compensation payable to the coordinator.

**SECTION 29. APPROPRIATION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$150,000, or so much of the sum as may be necessary, to the department of commerce for the purpose of providing grants in the amount of \$1,200 on behalf of individuals seeking a child development associate credential, for the biennium beginning July 1, 2011, and ending June 30, 2013.

**SECTION 30. APPROPRIATION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$460,000,

or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of providing payments to eligible school districts that offer alternative education programs to students in grades six through eight, for the biennium beginning July 1, 2011, and ending June 30, 2013. In order to determine the payment per student, the superintendent of public instruction shall multiply the number of full-time equivalent students in grades six through eight who are enrolled during the 2012-13 school year in an average of at least fifteen hours per week of alternative education programming by a weighting factor that may not exceed 0.20.

**SECTION 31. APPROPRIATION - SCHOOL DISTRICT DEFERRED MAINTENANCE AND PHYSICAL PLANT IMPROVEMENT GRANTS.**

1. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$7,000,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of awarding to eligible school districts deferred maintenance and physical plant improvement grants, in accordance with the provisions of this section, for the biennium beginning July 1, 2011, and ending June 30, 2013.
2. If the office of management and budget determines by April 30, 2012, that the June 30, 2012, ending balance of the state general fund will be more than \$30,000,000 in excess of the amount predicted by the office of management and budget at the conclusion of the 2011 legislative session, the superintendent of public instruction shall forward to each eligible school district:
  - a. Ten thousand dollars; plus
  - b. The school district's pro rata share of the remaining appropriation, calculated by using the latest available average daily membership of each school district.
3. If the general fund balance requirements of subsection 2 are not met and if the office of management and budget determines by April 30, 2013, that the June 30, 2013, ending balance of the state general fund will be more than \$30,000,000 in excess of the amount predicted by the office of management and budget at the conclusion of the 2011 legislative session, the superintendent of public instruction shall forward to each eligible school district:
  - a. Ten thousand dollars; plus
  - b. The school district's pro rata share of the remaining appropriation, calculated by using the latest available average daily membership of each school district.
4. Each school district accepting funds under this section shall apply those funds toward deferred maintenance and physical plant improvements and shall, by June 30, 2014:
  - a. Submit to the superintendent of public instruction documentation indicating the appropriate expenditure of the funds; or
  - b. Return the funds to the superintendent of public instruction for deposit in the general fund.

5. For purposes of this section, an "eligible school district" is a school district that:
  - a. Has a general fund levy equal to at least one hundred fifty mills, before any reduction for property tax allocations under chapter 57-64;
  - b. Is not precluded from receiving state aid by the provisions of section 15.1-27-35.3; and
  - c. Provides an equal monetary match for any amount received under this section.

**SECTION 32. CONTINGENT MONEY.** If any money appropriated to the superintendent of public instruction for state aid payments to school districts remains after the superintendent complies with all statutory payment obligations imposed for the biennium beginning July 1, 2011, and ending June 30, 2013, the superintendent shall use the remaining moneys to provide additional per student payments on a prorated basis according to the latest available average daily membership of each school district.

**SECTION 33. CONTINGENT TRANSFER BY BANK OF NORTH DAKOTA FOR SPECIAL EDUCATION.** If during the biennium beginning July 1, 2011, and ending June 30, 2013, the superintendent of public instruction determines that, using all available sources, there are insufficient funds with which to fully reimburse school districts for the excess costs of serving the one percent of special education students statewide who require the greatest school district expenditures in order to be provided with special education and related services, the industrial commission shall transfer from the earnings and accumulated and undivided profits of the Bank of North Dakota the amount the superintendent of public instruction certifies is necessary to provide the statutorily required level of reimbursement. The superintendent of public instruction shall file for introduction legislation requesting that the sixty-third legislative assembly return any amount transferred under this section to the Bank of North Dakota.

**SECTION 34. ALL-DAY KINDERGARTEN - IMPACT REPORT.** Before December 31, 2011, and December 31, 2012, each school district that provided full-day kindergarten during the previous school year shall file a report with the superintendent of public instruction indicating the nature and extent of any measurable academic growth experienced by the students who were enrolled in the program.

**SECTION 35. LEGISLATIVE MANAGEMENT STUDY - TEACHER COMPENSATION REFORM.** During the 2011-12 interim, the legislative management shall consider studying ways to reform the manner in which teacher compensation is determined, with a view to recruiting, developing, and retaining a high-quality teaching workforce capable of significantly improving student performance. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-third legislative assembly.

**SECTION 36. REPEAL.** Section 15.1-27-15 of the North Dakota Century Code is repealed.

**SECTION 37. EFFECTIVE DATE.** Section 18 of this Act becomes effective on July 1, 2013."

Renumber accordingly



Date: 2-8-11  
 Roll Call Vote # -1-66

**2011 SENATE STANDING COMMITTEE ROLL CALL VOTES**  
**BILL/RESOLUTION NO. 2150**

Senate Education \_\_\_\_\_ Committee

Check here for Conference Committee

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

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

Motion Made By Sen Flakoll Seconded By Sen. Luick

Senators	Yes	No	Senators	Yes	No
Chairman Layton Freborg	X		Senator Joan Heckaman	X	
Vice Chair Donald Schaible	X		Senator Richard Marcellais	X	
Senator Tim Flakoll	X				
Senator Gary A. Lee	X				
Senator Larry Luick	X				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Sen. Flakoll

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

**REPORT OF STANDING COMMITTEE**

**SB 2150: Education Committee (Sen. Freborg, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2150 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 15.1-09.1, a new section to chapter 15.1-18.2, and two new sections to chapter 15.1-21 of the North Dakota Century Code, relating to regional education associations, the professional development advisory committee, and North Dakota scholarships; to amend and reenact sections 15.1-07-33, 15.1-09-58, 15.1-09.1-02, 15.1-20-01, 15.1-21-02.1, 15.1-21-02.4, 15.1-21-02.5, 15.1-21-02.6, 15.1-21-08, 15.1-21-18, 15.1-21-19, 15.1-22-01, 15.1-27-03.1, 15.1-27-04, 15.1-27-07.2, 15.1-27-11, 15.1-27-35.3, and 15.1-37-01 of the North Dakota Century Code, relating to technology, regional education associations, curriculum requirements, assessments, scholarships, student consultations, compulsory attendance, age of admission, and state aid; to repeal section 15.1-27-15 of the North Dakota Century Code, relating to isolated schools; to provide an appropriation; to provide a continuing appropriation; to provide for compensation increases, transition payments, contingent payments, the use of federal education jobs fund program grants, and the distribution of transportation grants and regional education association grants; to provide for a legislative management study and reports; and to provide an effective date.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. AMENDMENT.** Section 15.1-07-33 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-07-33. Student information system - Statewide coordination - Financial support - Exemption.**

1. Notwithstanding any other technology requirements imposed by the superintendent of public instruction, the information technology department, or the North Dakota educational technology council, each school district shall acquire PowerSchool through the information technology department and use it as its principal student information system.
2. The superintendent of public instruction shall forward that portion of a school district's state aid which is payable by the superintendent under subdivision n of subsection 1 of section 15.1-27-03.1 directly to the information technology department to reimburse the department for the cost of the school district's acquisition, implementation, or utilization of PowerSchool and any related technology support services. The superintendent shall forward the amount payable under this subsection at the same time and in the same manner as provided for other state aid payments under section 15.1-27-01.
3. If the portion of a school district's state aid forwarded to the information technology department under subsection 2 exceeds the cost incurred by the information technology department in providing for the school district's acquisition, implementation, or utilization of PowerSchool and any related technology support services, the information technology department shall return the excess moneys to the superintendent of public instruction for redistribution to the school district as per student payments.
4. The superintendent of public instruction may exempt a school district from having to acquire and utilize PowerSchool if the school district demonstrates that, in accordance with requirements of the bureau of Indian education, the district has acquired and is utilizing a student information system that is determined to be comparable by the superintendent.



**SECTION 2. AMENDMENT.** Section 15.1-09-58 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-09-58. ~~Prekindergarten program~~ Early childhood education - Authorization - Support.**

1. The board of a school district may establish ~~a prekindergarten~~ an early childhood education program and may ~~receive and expend any state support that program with:~~
  - a. Local tax revenues, other than those necessary to support the district's kindergarten program and the provision of elementary and high school educational services;
  - b. State moneys specifically appropriated for the program, ~~any federal;~~
  - c. Federal funds specifically appropriated or approved for the program, ~~and any gifts,; and~~
  - d. Gifts, grants, and donations specifically given for the program.
2. For purposes of this section, state moneys specifically appropriated for an early childhood program are separate and distinct from those appropriated for special education early childhood programs, school readiness and parent education programs, and state aid for elementary and secondary education.

**SECTION 3. AMENDMENT.** Section 15.1-09.1-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-09.1-02. Regional education association - Joint powers agreement - Review by superintendent of public instruction - Criteria.**

~~Before~~ In order for a group of school districts ~~may~~ to be designated as a regional education association, the superintendent of public instruction shall review the joint powers agreement that the districts have entered and verify that: the requirements of this section have been met.

1. The school districts must:
  - a. Have a combined total land mass of at least five thousand eight hundred square miles [1502193 hectares];
  - b. (1) Have a combined total land mass of at least four thousand five hundred square miles [1165494 hectares]; and  
(2) Number at least twelve;
  - c. (1) Have a combined total land mass of at least four thousand square miles [1035995 hectares]; and  
(2) Have at least three thousand students in average daily membership; or
  - d. (1) Have a combined total land mass of at least one thousand five hundred square miles [388498 hectares]; and  
(2) Have at least seven thousand five hundred students in average daily membership.

2. The school districts ~~are~~must be contiguous to each other or, if the districts are not contiguous to each other, the superintendent of public instruction shall verify that the participating districts can provide sound educational opportunities to their students in a fiscally responsible manner without injuring other school districts or regional education associations and without negatively impacting the ability of other school districts or regional education associations to provide sound educational opportunities to their students in a fiscally responsible manner. A decision by the superintendent of public instruction under this subsection may be appealed to the state board of public school education. A decision by the state board is final.
3. The joint powers agreement ~~requires~~must require that the participating school districts maintain a joint operating fund ~~and share various administrative functions and student services in accordance with subsection 4.~~
4.
  - a. ~~During the first two school years in which a regional education association is operational, each participating school district shall share in at least two administrative functions and two student services, selected by the district.~~
  - b. ~~During the third and fourth school years in which a regional education association is operational, each participating school district shall share in at least three administrative functions and three student services, selected by the district.~~
  - c. ~~During the fifth school year in which a regional education association is operational, and each year thereafter, each participating school district shall share at least five administrative functions and five student services, selected by the district.~~
  - d. ~~For purposes of this subsection:~~
    - (1) ~~"Administrative functions" means:~~
      - (a) ~~Business management;~~
      - (b) ~~Career and technical education services management;~~
      - (c) ~~Curriculum mapping or development;~~
      - (d) ~~Data analysis;~~
      - (e) ~~Federal program support;~~
      - (f) ~~Federal title program management;~~
      - (g) ~~Grant writing;~~
      - (h) ~~School improvement;~~
      - (i) ~~School safety and environment management;~~
      - (j) ~~Special education services management;~~
      - (k) ~~Staff development;~~
      - (l) ~~Staff retention and recruitment;~~
      - (m) ~~Staff sharing;~~

~~(n) Technology support; and~~

~~(o) Any other functions approved by the superintendent of public instruction.~~

~~(2) "Student services" means:~~

~~(a) Advanced placement classes;~~

~~(b) Alternative high schools or alternative high school programs;~~

~~(c) Career and technical education classes;~~

~~(d) Counseling services;~~

~~(e) Common elementary curricula;~~

~~(f) Distance learning classes;~~

~~(g) Dual credit classes;~~

~~(h) Foreign language classes;~~

~~(i) Library and media services;~~

~~(j) Summer programs;~~

~~(k) Supplemental instruction programs; and~~

~~(l) Any other services approved by the superintendent of public instruction.~~

~~e. For purposes of this subsection, if a regional education association became operational before July 1, 2005, the 2005-06 school year must be considered the provider's first year of operation.~~

~~6. The joint powers agreement provides must provide:~~

- ~~a. Criteria for the future participation of school districts that were not parties to the original joint powers agreement;~~
- ~~b. An application process by which school districts that were not parties to the original joint powers agreement can become participating districts; and~~
- ~~c. A process by which school districts that were not parties to the original joint powers agreement and whose application to participate in the agreement was denied can appeal the decision to the superintendent of public instruction.~~

~~6.5. The joint powers agreement provides must provide for the employment and compensation of staff.~~

~~7.6. The joint powers agreement must:~~

- ~~a. Establishes Establish the number of members on the governing board;~~
- ~~b. Establishes Establish the manner in which members of the governing board are determined;~~

- c. ~~Requires all members~~ Require that each member of the governing board ~~or their designees to be individuals~~ be an individual currently serving on the board of a participating school district ~~or the designee of a participating school district's board~~; and
  - d. ~~Allows~~ Allow for the inclusion of ex officio nonvoting members on the governing board.
- ~~8-7.~~ The joint powers agreement ~~provides~~ must provide that the board of the regional education association shall meet at least quarterly.
- ~~9-8.~~ The joint powers agreement ~~does~~ may not permit the regional education association to compensate members of the regional education association board for attending meetings of the board and does not permit the regional education association to reimburse members of the board for any expenses incurred in attending meetings of the board.

**SECTION 4.** A new section to chapter 15.1-09.1 of the North Dakota Century Code is created and enacted as follows:

**Regional education association - Services to be offered.**

1. In order to be eligible for state funding, a regional education association must offer the following services to its member districts:
  - a. Coordination and facilitation of professional development activities for teachers and administrators employed by its member districts;
  - b. Supplementation of technology support services;
  - c. Assistance with achieving school improvement goals identified by the superintendent of public instruction;
  - d. Assistance with the collection, analysis, and interpretation of student achievement data; and
  - e. Assistance with the expansion and enrichment of curricular offerings.
2. Subsection 1 does not preclude a regional education association from offering additional services to its member districts.

**SECTION 5.** A new section to chapter 15.1-18.2 of the North Dakota Century Code is created and enacted as follows:

**Professional development advisory committee - Compensation of members.**

Each member of the professional development advisory committee, is entitled to receive reimbursement for expenses as provided by law for state officers if the member is attending meetings or performing duties directed by the committee.

**SECTION 6. AMENDMENT.** Section 15.1-20-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-20-01. Compulsory attendance.**

A student's formal schooling must begin with a kindergarten program that meets the requirements of section 15.1-22-02 and must include all other grades from one through twelve.

1.
  - a. Any person having responsibility for a child between the ages of ~~sevensix~~ and sixteen years shall ensure that the child is in attendance at a public school for the duration of each school year.
  - b. Beginning July 1, 2015, any person having responsibility for a child between the ages of six and seventeen years shall ensure that the child is in attendance at a public school for the duration of each school year.
2. If a person enrolls a child of age ~~sixfive~~ in a public school, the person shall ensure that the child is in attendance at the public school for the duration of each school year. The person may withdraw a child of age ~~sixfive~~ from the public school. However, once the child is withdrawn, the person may not reenroll the child until the following school year. This subsection does not apply if the reason for the withdrawal is the child's relocation to another school district.
3. This section does not apply if a child is exempted under the provisions of section 15.1-20-02.

**SECTION 7. AMENDMENT.** Section 15.1-21-02.1 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.1. High school graduation—~~Diplomadiploma~~ - Minimum requirements.**

Except as provided in section 15.1-21-02.3, before a school district, a nonpublic high school, or the center for distance education issues a high school diploma to a student, the student must have successfully completed ~~the following twenty-two units of high school coursework:~~

- ~~1. Four units of English language arts from a sequence that includes literature, composition, and speech;~~
- ~~2. Three units of mathematics;~~
- ~~3. Three units of science, including:
  - a. One unit of physical science;
  - b. One unit of biology; and
  - c. (1) One unit of any other science; or  
(2) Two one-half units of any other science;~~
- ~~4. Three units of social studies, including:
  - a. One unit of United States history;
  - b. (1) One-half unit of United States government and one-half unit of economics; or  
(2) One unit of problems of democracy; and
  - c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;~~
- ~~5. 
  - a. One unit of physical education; or
  - b. One-half unit of physical education and one-half unit of health;~~

6. ~~Three units of:~~
  - a. ~~Foreign languages;~~
  - b. ~~Native American languages;~~
  - c. ~~Fine arts; or~~
  - d. ~~Career and technical education courses; and~~
7. ~~Any five additional units.~~
  1. The twenty-two units of high school coursework set forth in section 8 of this Act; and
  2. Any additional units of high school coursework required by the issuing entity.

**SECTION 8.** A new section to chapter 15.1-21 of the North Dakota Century Code is created and enacted as follows:

**High school graduation - Minimum requirements.**

Except as provided in section 15.1-21-02.3, the following twenty-two units of high school coursework constitute the minimum requirement for high school graduation:

1. Four units of English language arts from a sequence that includes literature, composition, and speech;
2. Three units of mathematics;
3. Three units of science, including:
  - a. One unit of physical science;
  - b. One unit of biology; and
  - c. (1) One unit of any other science; or  
(2) Two one-half units of any other science;
4. Three units of social studies, including:
  - a. One unit of United States history;
  - b. (1) One-half unit of United States government and one-half unit of economics; or  
(2) One unit of problems of democracy; and
  - c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;
5. a. One unit of physical education; or  
b. One-half unit of physical education and one-half unit of health;
6. Three units of:

- a. Foreign languages;
  - b. Native American languages;
  - c. Fine arts; or
  - d. Career and technical education courses; and
7. Any five additional units.

**SECTION 9. AMENDMENT.** Section 15.1-21-02.4 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.4. North Dakota career and technical education scholarship.**

Any resident student who graduates from a high school during or after the 2010-11 school year is eligible to receive a North Dakota career and technical education scholarship provided the student ~~completes all requirements set forth in subsections 1 through 5 and subsection 7 of section 15.1-21-02.1 for a high school diploma and:~~

1. Completed four units of English language arts from a sequence that includes literature, composition, and speech;
2. Completed three units of mathematics, including:
  - a. ~~Completes one~~One unit of algebra II, as defined by the superintendent of public instruction, ~~in fulfillment of the mathematics requirement set forth in subsection 2 of section 15.1-21-02.1; and~~
  - b. ~~Completes two~~Two units of any other mathematics;
3. Completed three units of science, including:
  - a. One unit of physical science;
  - b. One unit of biology; and
  - c. (1) One unit of any other science; or  
(2) Two one-half units of any other science;
4. Completed three units of social studies, including:
  - a. One unit of United States history;
  - b. (1) One-half unit of United States government and one-half unit of economics; or  
(2) One unit of problems of democracy; and
  - c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;
5. a. Completed one unit of physical education; or  
b. One-half unit of physical education and one-half unit of health;
6. Completed:

- a. One unit selected from:
  - (1) Foreign languages;
  - (2) Native American languages;
  - (3) American sign language;
  - (4) Fine arts; or
  - (5) Career and technical education courses; and
- b. Two units of a coordinated plan of study recommended by the department of career and technical education and approved by the superintendent of public instruction; and
- ~~e-7.~~ Completed any five additional units, two of which must be in the area of career and technical education;
- 2. ~~Obtains a grade of at least "C" in each unit or one-half unit required for the diploma;~~
- 3-8. a. (1) Obtains~~Obtains~~ a cumulative grade point average of at least "B"3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based on all high school units in which the student was enrolled; and
- (2) Obtained a grade of at least "C" in each unit or one-half unit; or
- b. (1) Obtained a cumulative grade point average of at least 3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based only on the units required by subsections 1 through 7 of this section; and
- (2) Obtained a grade of at least "C" in each unit or one-half unit; and
- 4-9. Receives~~Received~~:
- a. A composite score of at least twenty-four on an ACT; or
- b. A score of at least five on each of three WorkKeys assessments recommended by the department of career and technical education and approved by the superintendent of public instruction.

**SECTION 10. AMENDMENT.** Section 15.1-21-02.5 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.5. North Dakota academic scholarship.**

Any resident student who graduates from a high school during or after the 2010-11 school year is eligible to receive a North Dakota academic scholarship provided the student ~~completes all requirements set forth in subsections 1 through 6 and subsection 7 of section 15.1-21-02.1 for a high school diploma and:~~

- 1. Completed four units of English language arts from a sequence that includes literature, composition, and speech;
- 2. Completed three units of mathematics, including:



- a. ~~Completes one~~One unit of algebra II, as defined by the superintendent of public instruction, in fulfillment of the mathematics requirement set forth in subsection 2 of section 16.1-21-02.1; and
- b. ~~Completes one~~One additional unit of mathematics for which algebra II, as defined by the superintendent of public instruction, is a prerequisite; and
- e-3. ~~Completes~~Completed three units of science, including:
  - a. One unit of physical science;
  - b. One unit of biology; and
  - c. (1) One unit of any other science; or  
(2) Two one-half units of any other science;
- 4. Completed three units of social studies, including:
  - a. One unit of United States history;
  - b. (1) One-half unit of United States government and one-half unit of economics; or  
(2) One unit of problems of democracy; and
  - c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;
- 5. a. Completed one unit of physical education; or  
b. One-half unit of physical education and one-half unit of health;
- 6. a. Completed:
  - (1) Two units of the same foreign or native American language;
  - (2) ~~One unit of fine arts or career and technical education~~American sign language; and
  - (3)b. One unit of a foreign or native selected from:
    - (1) Foreign languages;
    - (2) ~~Native American language, fine~~languages;
    - (3) American sign language;
    - (4) Fine arts, or career, or
    - (5) Career and technical education;
- 2. ~~Obtains a grade of at least "C" in each unit or one-half unit required for the diploma;~~
- 3-7. ~~Obtains~~Completed any five additional units, one of which must be in the area of fine arts or career and technical education;

8. a. (1) Obtained a cumulative grade point average of at least "B"3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based on all high school units in which the student was enrolled; and
- (2) Obtained a grade of at least "C" in each unit or one-half unit; or
- b. (1) Obtained a cumulative grade point average of at least 3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based only on the units required by subsections 1 through 7 of this section; and
- (2) Obtained a grade of at least "C" in each unit or one-half unit;
- 4-9. ~~Receives~~Received a composite score of at least twenty-four on an ACT; and
- 5-10. a. ~~Completes~~Fulfilled any one unit requirement set forth in subsections 1 through 7 of this section by means of an advanced placement course and examination; or
- b. Fullfilled any one-half unit requirement set forth in subsections 1 through 7 of this section by means of a dual-credit course.

**SECTION 11. AMENDMENT.** Section 15.1-21-02.6 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.6. North Dakota scholarship - Amount - Applicability.**

1. ~~The state board of higher education shall provide to any student certified as being eligible by the superintendent of public instruction either a North Dakota academic scholarship or a North Dakota career and technical education scholarship in the amount of seven hundred fifty dollars for each semester during which the student is enrolled full time at an accredited institution of higher education in this state and maintains a cumulative grade point average of 2.75. If a student is determined by the superintendent of public instruction to have met the requirements for a North Dakota career and technical education scholarship or a North Dakota academic scholarship, the student is eligible to receive:~~
- a. At the beginning of the student's first year of higher education, a scholarship in the amount of one thousand five hundred dollars, provided the student is enrolled full time at an accredited institution of higher education in this state; and
- b. At the beginning of the semester marking the student's second year of higher education and each semester thereafter, a scholarship in the amount of seven hundred fifty dollars, provided that during the immediately preceding semester the student:
- (1) Maintained a cumulative grade point average of 2.75; and
- (2) Maintained enrollment, throughout the semester, in a minimum of fifteen units.
2. If at the conclusion of the first semester of the student's first year the state board of higher education determines that the student was unable to maintain a grade point average of 2.75, the board shall forward a letter of warning to the student and articulate the consequences with respect to the student's continued eligibility for a scholarship.

3. If at the conclusion of the student's first year, or any semester thereafter, a student has failed to meet the requirements for a scholarship, as set forth in subdivision b of subsection 1, the student, at the conclusion of the ensuing semester, may apply to the state board of higher education for reinstatement of the scholarship, provided the student can demonstrate compliance with the requirements of subdivision b of subsection 1. However, if a student fails to meet the requirements of subdivision b of subsection 1 for a second time, that student may not receive any additional scholarships under this section.
- 2-4. A student is not entitled to receive more than six thousand dollars in scholarships under this section.
- 3-5. The state board of higher education shall forward ~~the scholarship~~ scholarships under this section directly to the institution ~~in~~ at which the student is enrolled.
- 4-6. This section does not require a student to be enrolled in consecutive semesters. However, a scholarship under this section is valid only for six academic years after the student's graduation from high school and may not be applied to graduate programs.
- 5-7. A scholarship under this section is available to any eligible student who graduates from a high school in this state or from a high school in a bordering state under chapter 15.1-29.
8. The state board of higher education shall monitor each scholarship recipient to ensure that the student meets the academic and other requirements of this section. Upon determining that a recipient student has failed to meet the requirements of this section, the board shall provide notification to the student within five days.

**SECTION 12.** A new section to chapter 15.1-21 of the North Dakota Century Code is created and enacted as follows:

**North Dakota scholarship fund - Biannual transfer - Continuing appropriation.**

1. Once each semester, the state board of higher education shall certify to the state treasurer the amount necessary to provide the North Dakota academic scholarships and the North Dakota career and technical education scholarships, as set forth in sections 15.1-21-02.4 and 15.1-21-02.5.
2. Upon receiving the certification, the state treasurer shall transfer the certified amount from the interest and other income of the lands and minerals trust fund to the North Dakota scholarship fund.
3. All moneys in the North Dakota scholarship fund are appropriated on a continuing basis to the state board of higher education for the exclusive purpose of providing North Dakota academic scholarships and North Dakota career and technical education scholarships.

**SECTION 13. AMENDMENT.** Section 15.1-21-08 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-08. Reading, mathematics, and science - Administration of test.**

1. The superintendent of public instruction shall administer to public school students a test that is aligned to the state content and achievement standards in reading and mathematics. This test must be administered to all

~~public school students in at least one grade level selected within each of the following grade spans: grades three through five; grades six through nine; and grades ten through twelve. Beginning no later than the 2006-06 school year and annually thereafter, the superintendent of public instruction shall administer the reading and mathematics test annually to all public school students in grades three, four, five, six, seven, eight, and eleven.~~

- ~~2. Beginning no later than the 2007-08 school year and annually thereafter, the~~The superintendent of public instruction shall administer a test that is aligned to the state content and achievement standards in science. This test must be administered to all public school students in at least one grade level selected from three through five; in at least one grade level selected from six through nine; and in grade eleven. The superintendent of public instruction may not administer the grade eleven test after December first of each school year.

**SECTION 14. AMENDMENT.** Section 15.1-21-18 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-18. Career interest inventory - Educational and career planning - Consultation.**

1. A school district shall administer to students, once during their enrollment in grade seven or eight and once during their enrollment in grade nine or ten, a career interest inventory recommended by the department of career and technical education and approved by the superintendent of public instruction.
2. At least once during the seventh or eighth grade, each school district shall arrange for students to participate in either an individual consultative process or a nine-week course, for the purpose of discussing the results of their career interest inventory, selecting high school courses appropriate to their educational pursuits and career interests, and developing individual high school education plans.
3. Each school district shall notify its high school students that, upon request, a student is entitled to receive a consultative review of the student's individual high school education plan at least once during each high school grade. Upon the request of a student, the school district shall provide the consultative review.
4. Each school district shall verify compliance with the requirements of this section at the time and in the manner required by the superintendent of public instruction.

**SECTION 15. AMENDMENT.** Section 15.1-21-19 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-19. Summative assessment - Selection - Cost - Exemptions.**

1. Except as otherwise provided, each public and nonpublic school student in grade eleven shall take the ACT, including the writing test, or three WorkKeys assessments recommended by the department of career and technical education and approved by the superintendent of public instruction. The student shall determine which summative assessment to take. ~~The student's school district of residence~~superintendent of public instruction is responsible for the cost of procuring and administering one summative assessment ~~and its administration~~ per student.
2. The student's career advisor or guidance counselor shall meet with the student to review the student's assessment results.

3. A school district superintendent or a school administrator in the case of a nonpublic school student may exempt a student from the requirements of this section if taking the test is not required by the student's individualized education program plan or if other special circumstances exist.
4. ~~If the superintendent of public instruction determines that the cost of the summative assessment and its administration can be reduced through use of a state procurement process, the superintendent shall work with the school districts to procure and arrange for the administration of the assessment and shall withhold each district's share of the total cost from any state aid otherwise payable to the district. At the time and in the manner determined by the superintendent of public instruction, each school district superintendent and each school administrator in the case of a nonpublic school shall report the number of eleventh grade students who:~~
  - a. Took the ACT, including the writing test;
  - b. Took the three WorkKeys assessments; and
  - c. Were exempted from the requirements of this section, together with the reason for each exemption.

**SECTION 16. AMENDMENT.** Section 15.1-22-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-22-01. Kindergarten - Establishment by board - Request by parent - Levy.**

1. ~~Upon its own motion, the~~The board of a school district ~~may~~shall establish a free public kindergarten.
2. ~~If the board receives a written request to provide kindergarten from the parent of a student who will be enrolled in the kindergarten, the~~The board shall either provide at least a half-day kindergarten program for the ~~student~~any student enrolled in the district or pay the tuition required for the student to attend at least a half-day kindergarten program in another school district.
3. The board of a school district that establishes a kindergarten under this section may levy a tax pursuant to subdivision p of subsection 1 of section 57-15-14.2.

**SECTION 17. AMENDMENT.** Section 15.1-27-03.1 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-03.1. ~~(Effective through June 30, 2011) Weighted average daily membership—Determination.~~**

1. ~~For each school district, the superintendent of public instruction shall multiply by:~~
  - a. ~~1.00 the number of full-time equivalent students enrolled in a migrant summer program;~~
  - b. ~~1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;~~
  - c. ~~0.60 the number of full-time equivalent students enrolled in a summer education program;~~

- ~~d.—0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;~~
  - ~~e.—0.30 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and are enrolled in a program of instruction for English language learners;~~
  - ~~f.—0.25 the number of full-time equivalent students enrolled in an alternative high school;~~
  - ~~g.—0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
  - ~~h.—0.25 the number of full-time equivalent students enrolled in an isolated high school;~~
  - ~~i.—0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-20-01;~~
  - ~~j.—0.20 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be not proficient and are enrolled in a program of instruction for English language learners;~~
  - ~~k.—0.17 the number of full-time equivalent students enrolled in an early childhood special education program;~~
  - ~~l.—0.07 the number of students enrolled in average daily membership, in order to support the provision of special education services;~~
  - ~~m.—0.07 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be somewhat proficient and are enrolled in a program of instruction for English language learners;~~
  - ~~n.—0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; and~~
  - ~~o.—0.002 the number of students enrolled in average daily membership, in order to support technology.~~
- ~~2.—The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.~~

~~—(Effective after June 30, 2011) Weighted average daily membership - Determination.~~

- ~~1. For each school district, the superintendent of public instruction shall multiply by:
  - ~~a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;~~
  - ~~b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;~~~~

- c. 0.60 the number of full-time equivalent students enrolled in a summer education program;
- d. 0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;
- e. 0.30 the number of full-time equivalent students who ~~are~~:
  - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and placed in the first of six categories of proficiency; and are
  - (2) Are enrolled in a program of instruction for English language learners;
- f. 0.25 the number of full-time equivalent students enrolled in an alternative high school;
- g. ~~0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
- h. ~~0.25 the number of full-time equivalent students enrolled in an isolated high school;~~
- i. ~~0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;~~
- j-h. 0.20 the number of full-time equivalent students who ~~are~~:
  - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be ~~not~~more proficient than students placed in the first of six categories of proficiency and therefore placed in the second of six categories of proficiency; and are
  - (2) Are enrolled in a program of instruction for English language learners;
- k-i. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;
- l-j. ~~0-070.10 the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average daily membership and the district consists of an area greater than two hundred seventy-five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students in average daily membership must be deemed to have an enrollment equal to fifty students in average daily membership;~~
- k. 0.073 the number of students enrolled in average daily membership, in order to support the provision of special education services;
- m-l. 0.07 the number of full-time equivalent students who ~~are~~:
  - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be somewhat more proficient and are than students placed in the

second of six categories of proficiency and therefore placed in the third of six categories of proficiency;

(2) Are enrolled in a program of instruction for English language learners; and

(3) Have not been in the third of six categories of proficiency for more than three years;

~~n.m.~~ 0.025 the number of students representing that percentage of the total number of students in average daily membership which is equivalent to the three-year average percentage of students in grades three through eight who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.];

n. 0.006 the number of students enrolled in average daily membership in each public school in the district that:

(1) Has acquired and is utilizing the PowerSchool student information system;

(2) Has acquired and is in the process of implementing the PowerSchool student information system; or

(3) Will acquire the PowerSchool student information system during the current school year, provided the acquisition is contractually demonstrated; and

~~o.~~ 0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; and

~~p.~~ 0.002 the number of students enrolled in average daily membership, in order to support technology.

2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.

**SECTION 18. AMENDMENT.** Section 15.1-27-03.1 of the North Dakota Century Code is amended and reenacted as follows:

**~~15.1-27-03.1. (Effective through June 30, 2011) Weighted average daily membership – Determination.~~**

~~1. For each school district, the superintendent of public instruction shall multiply by:~~

~~a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;~~

~~b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;~~

~~c. 0.60 the number of full-time equivalent students enrolled in a summer education program;~~

~~d. 0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;~~



- ~~e. 0.30 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and are enrolled in a program of instruction for English language learners;~~
  - ~~f. 0.25 the number of full-time equivalent students enrolled in an alternative high school;~~
  - ~~g. 0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
  - ~~h. 0.25 the number of full-time equivalent students enrolled in an isolated high school;~~
  - ~~i. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;~~
  - ~~j. 0.20 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be not proficient and are enrolled in a program of instruction for English language learners;~~
  - ~~k. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;~~
  - ~~l. 0.07 the number of students enrolled in average daily membership, in order to support the provision of special education services;~~
  - ~~m. 0.07 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be somewhat proficient and are enrolled in a program of instruction for English language learners;~~
  - ~~n. 0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-00.1; and~~
  - ~~o. 0.002 the number of students enrolled in average daily membership, in order to support technology.~~
- ~~2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.~~

~~(Effective after June 30, 2011) Weighted average daily membership - Determination.~~

- ~~1. For each school district, the superintendent of public instruction shall multiply by:
  - ~~a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;~~
  - ~~b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;~~
  - ~~c. 0.60 the number of full-time equivalent students enrolled in a summer education program;~~~~

- d. 0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;
- e. 0.30 the number of full-time equivalent students who ~~are~~:
  - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and placed in the first of six categories of proficiency; and are
  - (2) Are enrolled in a program of instruction for English language learners;
- f. 0.25 the number of full-time equivalent students enrolled in an alternative high school;
- g. ~~0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
- h. ~~0.25 the number of full-time equivalent students enrolled in an isolated high school;~~
- i. ~~0.20 the number of full-time equivalent students in grades six through eight enrolled in an alternative education program for at least an average of fifteen hours per week;~~
- h. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;
- j.i. 0.20 the number of full-time equivalent students who ~~are~~:
  - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be ~~not~~more proficient than students placed in the first of six categories of proficiency and therefore placed in the second of six categories of proficiency; and are
  - (2) Are enrolled in a program of instruction for English language learners;
- k.j. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;
- l.k. ~~0.07~~0.10 the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average daily membership and the district consists of an area greater than two hundred seventy-five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students in average daily membership must be deemed to have an enrollment equal to fifty students in average daily membership;
- l. 0.073 the number of students enrolled in average daily membership, in order to support the provision of special education services;
- m. 0.07 the number of full-time equivalent students who ~~are~~:
  - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be

~~some~~what more proficient and ~~are~~than students placed in the second of six categories of proficiency;

- (2) Are enrolled in a program of instruction for English language learners; and
  - (3) Have not been in the third of six categories of proficiency for more than three years;
- n. 0.025 the number of students representing that percentage of the total number of students in average daily membership which is equivalent to the three-year average percentage of students in grades three through eight who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.];
- o. 0.006 the number of students enrolled in average daily membership in each public school in the district that:
- (1) Has acquired and is utilizing the PowerSchool student information system;
  - (2) Has acquired and is in the process of implementing the PowerSchool student information system; or
  - (3) Will acquire the PowerSchool student information system during the current school year, provided the acquisition is contractually demonstrated; and
- p. ~~0.004~~ the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; ~~and~~
- p. ~~0.002~~ the number of students enrolled in average daily membership, in order to support technology.
2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.

**SECTION 19. AMENDMENT.** Section 15.1-27-04 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-04. Per student payment rate.**

- 1. a. The per student payment rate to which each school district is entitled for the first year of the biennium is three thousand ~~twenine~~ hundred sixty-one dollars.
  - b. The per student payment rate to which each school district is entitled for the second year of the biennium is three thousand ~~sevenine~~ hundred seventy-ninesixty-one dollars.
2. In order to determine the state aid payment to which each district is entitled, the superintendent of public instruction shall multiply each district's weighted student units by the per student payment rate set forth in subsection 1.

**SECTION 20. AMENDMENT.** Section 15.1-27-07.2 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-07.2. Baseline funding - Determination - Minimum and maximum allowable increases.**

1. The superintendent of public instruction shall determine each school district's baseline funding per weighted student unit by:
  - a. Adding together all state aid received by the district during the 2006-07 school year;
  - b. Subtracting the amount received by the district during the 2006-07 school year for transportation aid, special education excess cost reimbursements, special education contracts, prior year funding adjustments, and per student payments for participation in educational associations governed by joint powers agreements; and
  - c. Dividing the amount determined under subdivision b by the district's 2007-08 weighted student units.
2.
  - a. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, for the 2009-10 school year, is at least equal to one hundred eight percent of the baseline funding per weighted student unit, as established in subsection 1.
  - b. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, for each school year after the 2009-10 school year, is at least equal to one hundred twelve and one-half percent of the baseline funding per weighted student unit, as established in subsection 1.
3.
  - a.—The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, less any amount received as equity payments under section 15.1-27-11 per weighted student unit, does not exceed, for the ~~2009-10~~2011-12 school year, one hundred ~~twenty~~forty-two percent of the baseline funding per weighted student unit, as established in subsection 1.
  - b.—~~The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, less any amount received as equity payments under section 15.1-27-11 per weighted student unit, does not exceed, for each school year after the 2009-10 school year, one hundred thirty-four percent of the baseline funding per weighted student unit, as established in subsection 1.~~

**SECTION 21. AMENDMENT.** Section 15.1-27-11 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-11. Equity payments.**

1. The superintendent of public instruction shall:
  - a. Divide the imputed taxable valuation of the state by the total average daily membership of all school districts in the state in order to determine the state average imputed taxable valuation per student.
  - b. Divide the imputed taxable valuation of each school district by the district's total average daily membership in order to determine each district's average imputed taxable valuation per student.
2. If a school district's imputed taxable valuation per student is less than ninety percent of the statewide imputed taxable valuation per student, the

superintendent of public instruction shall calculate the valuation deficiency by:

- a. Determining the difference between ninety percent of the state average imputed taxable valuation per student and the district's average imputed taxable valuation per student; and
  - b. Multiplying that difference by the district's total average daily membership.
3. Except as provided in subsection 4, the equity payment to which a district is entitled under this section equals the district's valuation deficiency multiplied by the lesser of:
- a. The district's general fund levy for the taxable year 2008; or
  - b. One hundred eighty-five mills.
4. a. The equity payment to which a district is entitled may not exceed the district's taxable valuation multiplied by its general fund levy for the taxable year 2008.
- b. If a district's general fund levy for the taxable year 2008 is less than one hundred eighty-five mills, the superintendent of public instruction shall subtract the district's general fund levy for the taxable year 2008 from one hundred eighty-five mills, multiply the result by the district's taxable valuation, and subtract that result from the equity payment to which the district is otherwise entitled.
- c. If a district's imputed taxable valuation per student is less than fifty percent of the statewide imputed taxable valuation per student, the payment to which the district is entitled under this section may not be less than twenty percent of the statewide imputed taxable valuation per student times the school district's average daily membership, multiplied by one hundred eighty-five mills.
5. In determining the amount to which a school district is entitled under this section, the superintendent of public instruction may not include any payments received by the district as a result of Public Law No. 81-874 [64 Stat. 1100; 20 U.S.C. 236 et seq.] and may not include in the district's average daily membership students who are dependents of members of the armed forces and students who are dependents of civilian employees of the department of defense.
6. In determining the statewide average imputed taxable valuation per student for purposes of this section, the superintendent of public instruction may not include:
- a. Any school district, which if included in the calculation would have an imputed taxable valuation per student that is three times greater than the statewide average imputed taxable valuation per student; and
  - b. Any school district, which if included in the calculation would have an imputed taxable valuation per student that is less than one-fifth of the statewide average imputed taxable valuation per student.
7. For purposes of this section:
- a. "General fund levy" includes a district's high school transportation levy and its high school tuition levy.

- b. "Imputed taxable valuation" means the valuation of all taxable real property in the district plus:
  - (1) An amount determined by dividing seventy percent of the district's mineral and tuition revenue, revenue from payments in lieu of property taxes on distribution and transmission of electric power, revenue from payments in lieu of taxes from electricity generated from sources other than coal, and revenue received on account of the leasing of lands acquired by the United States for flood control, navigation, and allied purposes in accordance with 33 U.S.C. 701c-3 by the district's general fund mill levy for the taxable year 2008; and
  - (2) An amount determined by dividing the district's revenue from mobile home taxes and telecommunications taxes by the district's general fund mill levy for the taxable year 2008.
- c. "Mineral revenue" includes all revenue from county sources reported under code 2000 of the North Dakota school district financial accounting and reporting manual as developed by the superintendent of public instruction in accordance with section 15.1-02-08.
- d. "Tuition revenue" includes all revenue reported under code 1300 of the North Dakota school district financial accounting and reporting manual as developed by the superintendent of public instruction in accordance with section 15.1-02-08. "Tuition revenue" does not include tuition income received specifically for the operation of an educational program provided at a residential treatment facility.

**SECTION 22. AMENDMENT.** Section 15.1-27-35.3 of the North Dakota Century Code is amended and reenacted as follows:

**~~15.1-27-35.3. (Effective through June 30, 2011) Payments to school districts—Unobligated general fund balance—Report to legislative council.~~**

- ~~1.—The superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of fifty percent of its actual expenditures, plus twenty thousand dollars. Beginning July 1, 2008, the superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty five percent of its actual expenditures, plus twenty thousand dollars.~~
- ~~2.—In making the determination required by subsection 1, the superintendent of public instruction may not include in a district's unobligated general fund balance any moneys that:
  - a. (1) Were received by the district during the school year ending June 30, 2009, on account of the leasing of lands acquired by the United States for flood control, navigation, and allied purposes in accordance with 33 U.S.C. 701c-3; and
  - (2) Exceeded the amount received by the district during the school year ending June 30, 2008, for the purpose stated in paragraph 1;~~
- ~~b.—Were received directly by the district from the United States government in accordance with the American Recovery and Reinvestment Act of 2009; or~~

- ~~c. Were received by the district as supplemental one-time grants under section 52 of S.L. 2009, ch. 175.~~
- ~~3. Any district having more than fifty thousand dollars excluded in the determination of its ending fund balance, as required by subsection 2, shall provide a report to the legislative council. The report, which must be presented at the time and in the manner directed by the legislative council, must address how the money was expended, including the number of mills by which the district was able to decrease its property taxes, if such was a permitted use.~~

~~—(Effective after June 30, 2011) Payments to school districts - Unobligated general fund balance.~~

- ~~1. The superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of fifty percent of its actual expenditures, plus twenty thousand dollars. Beginning July 1, 2008, the superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty-five percent of its actual expenditures, plus twenty thousand dollars.~~
- ~~2. In making the determination required by subsection 1, the superintendent of public instruction may not include in a district's unobligated general fund balance any moneys that were received by the district from the federal education jobs fund program.~~

**SECTION 23. AMENDMENT.** Section 15.1-37-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-37-01. Early childhood education program - Approval.**

1. Any person or school district operating an early childhood education program may request approval of the program from the superintendent of public instruction. The superintendent shall approve an early childhood education program if the program:
- ~~1-a.~~ Is taught by individuals who are licensed to teach in early childhood education by the education standards and practices board;
  - ~~2-b.~~ Follows a developmentally appropriate curriculum; and
  - ~~3-c.~~ Is in compliance with all municipal and state health, fire, and safety requirements; and
  - d. Limits its enrollment to children who have reached the age of four before August first of the year of enrollment.
2. Per student funding will not be provided to individuals or school districts offering a prekindergarten an early childhood education program.

**SECTION 24. ISOLATED SCHOOLS - TRANSITION PAYMENTS.**

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

- a. For the 2011-12 school year, an amount equal to that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011;
  - b. For the 2012-13 school year, an amount equal to seventy-five percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011;
  - c. For the 2013-14 school year, an amount equal to fifty percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011; and
  - d. For the 2014-15 school year, an amount equal to twenty-five percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011.
2. Upon the closure of a school that met the definition of isolated under section 15.1-27-15, as it existed on June 30, 2011, the superintendent of public instruction shall cease to provide to the district the transition payments established under subsection 1.

#### **SECTION 25. TRANSPORTATION GRANTS - DISTRIBUTION.**

1. During each year of the 2011-13 biennium, the superintendent of public instruction shall calculate the payment to which each school district is entitled based on the state transportation formula as it existed on June 30, 2001, except that the superintendent shall provide reimbursement at the rate of:
  - a. One dollar and three cents per mile for schoolbuses having a capacity of ten or more passengers;
  - b. Forty-six cents per mile for vehicles having a capacity of nine or fewer passengers;
  - c. Forty-six cents per mile, one way, provided:
    - (1) The student being transported resides more than two miles from the public school that the student attends;
    - (2) The student is transported by an adult member of the student's family;
    - (3) The student is transported in a vehicle furnished by the student's parents; and
    - (4) The student's transportation is paid for by the student's parents; and
  - d. Twenty-six cents per student for each one-way trip.
2. The superintendent of public instruction shall use the latest available student enrollment count in each school district in applying the provisions of subsection 1.
3. If any moneys provided for transportation payments in the grants transportation line item in the appropriation bill for the superintendent of public instruction, as approved by the sixty-second legislative assembly, remain after application of the formula provided for in this section, the superintendent of public instruction shall prorate the remaining amounts



according to the percentage of the total transportation formula amount to which each school district is entitled.

4. This section does not authorize the reimbursement of any costs incurred in providing transportation for student attendance at extracurricular activities or events.

**SECTION 26. FEDERAL EDUCATION JOBS FUND PROGRAM GRANTS - ALLOWABLE USES.**

1. Federal education jobs fund program grants distributed to school districts may be used only for:
  - a. The improvement, renovation, repair, or modernization of school buildings and facilities, including deferred maintenance; weatherization; heating, ventilation, and cooling projects; asbestos removal and abatement; security improvements; and laboratory improvements provided that the projects meet the approval requirements of section 15.1-36-01;
  - b. Building additions, provided the additions do not exceed twenty-five percent of the square footage of the building to which they are to be attached and further provided that the additions meet the approval requirements of section 15.1-36-01;
  - c. Equipment, including technological equipment, career and technical education equipment, vehicles for instructional purposes, and vehicles for student transportation;
  - d. Textbooks, instructional materials, and library media materials;
  - e. Title I expenditures; and
  - f. Professional development for teachers and administrators.
2. Each school district expending federal education jobs fund program grants shall file a report with the superintendent of public instruction, at the time and in the manner directed by the superintendent. The report must include a description of all expenditures, obligations, or other commitments made as a result of receiving a federal education jobs fund program grant. The superintendent shall compile the information and present it to the legislative council.

**SECTION 27. USE OF NEW MONEY - TEACHER COMPENSATION INCREASES - REPORTS TO THE LEGISLATIVE MANAGEMENT.**

1. During the 2011-13 biennium, the board of each school district shall use an amount equal to at least seventy percent of all new money received by the district for per student payments to increase the compensation paid to teachers and to provide compensation to teachers who begin employment with the district on or after July 1, 2011.
2. For purposes of this section, the superintendent of public instruction shall calculate the amount of new money received by a district during the 2011-13 biennium by:
  - a. Determining the total amount of state dollars received by each district during the 2009-11 biennium as per student payments, provided that equity payments, transportation payments, contingency distributions, mill levy reduction payments, and technology support payments are not to be included in the total;

- b. Determining the total amount of state dollars received by each district during the 2011-13 biennium as per student payments, provided that the following are not to be included in the total:
    - (1) Contingent distributions;
    - (2) Cross-border attendance moneys;
    - (3) Deferred maintenance and physical plant improvements grants;
    - (4) Equity payments;
    - (5) Federal education jobs funds program moneys;
    - (6) Home-based education program monitoring moneys;
    - (7) Mill levy reduction payments;
    - (8) PowerSchool acquisition, implementation, and utilization moneys;
    - (9) Regional education association moneys and grants; and
    - (10) Transportation payments; and
  - c. Subtracting the amount arrived at under subdivision a from the amount arrived at under subdivision b.
3. School districts providing educational services under a cooperative agreement approved by the superintendent of public instruction must, for purposes of this section, be treated as a single district.
  4.
    - a. This section does not apply to a school district if the board of the school district, after a public hearing at which public testimony and documentary evidence are accepted, determines in its discretion and by an affirmative vote of two-thirds of the members of the board that complying with subsection 1 would place the school district in the position of having insufficient fiscal resources to meet the school district's other obligations.
    - b. Within ten days of the vote required by subdivision a, the school board shall notify the superintendent of public instruction of its action and shall file a report detailing the grounds for its determination and action.
    - c. The superintendent of public instruction shall report all notices received under this subsection to the legislative management.

**SECTION 28. REGIONAL EDUCATION ASSOCIATIONS - GRANTS.** During the 2011-13 biennium, the superintendent of public instruction shall expend up to \$800,000 from the grants - state school aid line item in the appropriation bill for the superintendent of public instruction, as approved by the sixty-second legislative assembly, for the purpose of providing an annual grant to each eligible regional education association in order to assist each association with the cost of compensating a coordinator.

1. In order to receive a grant under this section, each regional education association must:
  - a. Enter a contract with an individual to serve as a coordinator, on a full-time or a part-time basis, for a duration of at least twelve months; and

- b. Provide from other revenue sources at least thirty percent of the total compensation payable to the coordinator.
2. The maximum grant payable to a regional education association under this section during each year of the biennium is the lesser of \$50,000 or seventy percent of the total compensation payable to the coordinator.

**SECTION 29. APPROPRIATION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$150,000, or so much of the sum as may be necessary, to the department of commerce for the purpose of providing grants in the amount of \$1,200 on behalf of individuals seeking a child development associate credential, for the biennium beginning July 1, 2011, and ending June 30, 2013.

**SECTION 30. APPROPRIATION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$460,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of providing payments to eligible school districts that offer alternative education programs to students in grades six through eight, for the biennium beginning July 1, 2011, and ending June 30, 2013. In order to determine the payment per student, the superintendent of public instruction shall multiply the number of full-time equivalent students in grades six through eight who are enrolled during the 2012-13 school year in an average of at least fifteen hours per week of alternative education programming by a weighting factor that may not exceed 0.20.

**SECTION 31. APPROPRIATION - SCHOOL DISTRICT DEFERRED MAINTENANCE AND PHYSICAL PLANT IMPROVEMENT GRANTS.**

1. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$7,000,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of awarding to eligible school districts deferred maintenance and physical plant improvement grants, in accordance with the provisions of this section, for the biennium beginning July 1, 2011, and ending June 30, 2013.
2. If the office of management and budget determines by April 30, 2012, that the June 30, 2012, ending balance of the state general fund will be more than \$30,000,000 in excess of the amount predicted by the office of management and budget at the conclusion of the 2011 legislative session, the superintendent of public instruction shall forward to each eligible school district:
  - a. Ten thousand dollars; plus
  - b. The school district's pro rata share of the remaining appropriation, calculated by using the latest available average daily membership of each school district.
3. If the general fund balance requirements of subsection 2 are not met and if the office of management and budget determines by April 30, 2013, that the June 30, 2013, ending balance of the state general fund will be more than \$30,000,000 in excess of the amount predicted by the office of management and budget at the conclusion of the 2011 legislative session, the superintendent of public instruction shall forward to each eligible school district:
  - a. Ten thousand dollars; plus

- b. The school district's pro rata share of the remaining appropriation, calculated by using the latest available average daily membership of each school district.
4. Each school district accepting funds under this section shall apply those funds toward deferred maintenance and physical plant improvements and shall, by June 30, 2014:
  - a. Submit to the superintendent of public instruction documentation indicating the appropriate expenditure of the funds; or
  - b. Return the funds to the superintendent of public instruction for deposit in the general fund.
5. For purposes of this section, an "eligible school district" is a school district that:
  - a. Has a general fund levy equal to at least one hundred fifty mills, before any reduction for property tax allocations under chapter 57-64;
  - b. Is not precluded from receiving state aid by the provisions of section 15.1-27-35.3; and
  - c. Provides an equal monetary match for any amount received under this section.

**SECTION 32. CONTINGENT MONEY.** If any money appropriated to the superintendent of public instruction for state aid payments to school districts remains after the superintendent complies with all statutory payment obligations imposed for the biennium beginning July 1, 2011, and ending June 30, 2013, the superintendent shall use the remaining moneys to provide additional per student payments on a prorated basis according to the latest available average daily membership of each school district.

**SECTION 33. CONTINGENT TRANSFER BY BANK OF NORTH DAKOTA FOR SPECIAL EDUCATION.** If during the biennium beginning July 1, 2011, and ending June 30, 2013, the superintendent of public instruction determines that, using all available sources, there are insufficient funds with which to fully reimburse school districts for the excess costs of serving the one percent of special education students statewide who require the greatest school district expenditures in order to be provided with special education and related services, the industrial commission shall transfer from the earnings and accumulated and undivided profits of the Bank of North Dakota the amount the superintendent of public instruction certifies is necessary to provide the statutorily required level of reimbursement. The superintendent of public instruction shall file for introduction legislation requesting that the sixty-third legislative assembly return any amount transferred under this section to the Bank of North Dakota.

**SECTION 34. ALL-DAY KINDERGARTEN - IMPACT REPORT.** Before December 31, 2011, and December 31, 2012, each school district that provided full-day kindergarten during the previous school year shall file a report with the superintendent of public instruction indicating the nature and extent of any measurable academic growth experienced by the students who were enrolled in the program.

**SECTION 35. LEGISLATIVE MANAGEMENT STUDY - TEACHER COMPENSATION REFORM.** During the 2011-12 interim, the legislative management shall consider studying ways to reform the manner in which teacher compensation is determined, with a view to recruiting, developing, and retaining a high-quality teaching workforce capable of significantly improving student performance. The legislative management shall report its findings and recommendations, together with any

legislation required to implement the recommendations, to the sixty-third legislative assembly.

**SECTION 36. REPEAL.** Section 15.1-27-15 of the North Dakota Century Code is repealed.

**SECTION 37. EFFECTIVE DATE.** Section 18 of this Act becomes effective on July 1, 2013."

Renumber accordingly

2011 SENATE APPROPRIATIONS

SB 2150

# 2011 SENATE STANDING COMMITTEE MINUTES

## Senate Appropriations Committee Harvest Room, State Capitol

SB 2150  
02-14-2011  
Job # 14513

Conference Committee

Committee Clerk Signature



### Explanation or reason for introduction of bill/resolution:

Relating to regional education associations, the professional development advisory committee, and North Dakota scholarships, and relating to technology.

### Minutes:

See attached testimony.

**Senator Holmberg** called the committee to order on Monday, February 14, 2011 in reference to SB 2150. Joe Morrissette, OMB and Sheila M. Sandness, Legislative Council were also present. The subcommittee members for this bill are Senators Holmberg, Wardner and O'Connell. I will ask Joe Morrissette to walk through the bill with us.

**Joe Morrissette, OMB** walked through SB 2150 and provided Testimony attached # 1. He explained the bill to the committee and the changes in the bill that have a fiscal impact.

**Chairman Holmberg:** One of the challenges is to harmonize SB 2150 with SB 2013. He says the policy will be left alone but there will be some appropriation sections that may be moved.

**V. Chair Grindberg Grindberg:** Is there a new revelation on section 26 and the restriction on the use of funds? He was told by Joe that he doesn't know. .

**Chairman Holmberg:** The regulations are very clear, it has to go for compensation and can't go for buildings and carpeting. He said he has alerted both the chairman of the committee and the sponsor of the bill that it will have to be taken care of. He goes on to say we can't tell schools they can spend money on things which they can't spend money on.

**Senator Bowman:** Asks about the \$810,000 for giving the ACT test in school and would like to know who that is administered by.

**Joe Morrissette:** I believe this would pay for the cost of acquiring the test.

**Senator Warner:** It is a fairly common practice for students to re-take the ACT test if they are unsatisfied with their first score. He asks if subsequent tests are paid for.

**Joe Morrissette:** The bill provides we pay the cost to providing the test to the 11<sup>th</sup> grade students.

**Chairman Holmberg:** They pay for it once, if you want to take it again, it's on your dime.

**Chairman Holmberg** closed the hearing on SB 2150.



# 2011 SENATE STANDING COMMITTEE MINUTES

## Senate Appropriations Committee Harvest Room, State Capitol

SB 2150 & 2013  
02-14-2011  
Job # 14520

Conference Committee

Committee Clerk Signature *AT.*

*Alice Reizer*

### Explanation or reason for introduction of bill/resolution:

**Subcommittee meeting on the education bill and the DPI budget bill.**

### Minutes:

*See Attached Testimony A & B*

**Chairman Holmberg** called the subcommittee hearing to order. Present were Senators Wardner and O'Connell. Joe Morrisette, OMB and Sheila M. Sandness, Legislative Council were also present. A Summary of Engrossed Senate Bill No. 2150 is submitted. Testimony attached # A.

**Chairman Holmberg** asks the committee to look at the appropriation aspects of the bill. He says he has a question of Sheila on Joe Morrisette's testimony today about issues and are the items listed inclusive of those problems. He said he wants to be a 100% sure on how the contingent works. The committee continues to discuss Section 31 in SB2013. Holmberg says if at the end of the session the ending fund balance is projected to be one hundred million dollars and on April 30, 2112 it is projected to be a hundred and forty million then this money would be triggered and they would get the seven million. If it was one hundred and thirty million dollars and fifty cents they would get the seven million. He says it is not from what was projected it is from money over. Chairman Holmberg says to add section 31 into the SB2013 as an addition because it is a straight appropriation.

**Chairman Holmberg** then goes through the proposed changes for SB 2013. Testimony attached # B. He goes over the changes and pass throughs of groups such as the Museum of Art, Red River Writing, the Young Entrepreneur, and Adult Education Grants. He mentions the question that arose on whether there is any evidence of teachers who are nationally board certified do a better job in the class room. He would like an article to show the senators that there has been some research done. He brings up the problem they had with the ACT being underfunded and they added in up to a total of \$778,400, which is what the estimates were that it would cost.

**Gary Gronberg:** DPI had comments regarding the ACT program.

**The committee** discusses the ACT and that it is not given to 100% of the students. Some students receive work keys and if they use the writing as an indicator of the writing skills of all juniors then they need to also include the writing portion in the work keys. Chairman

Holmberg asks what the cost will be. They find that it will be an additional \$6000 but are unsure if it is mentioned in the bill. If not they will need an amendment in the bill.

**Chairman Holmberg** continues going through the changes mentioning they took out the \$300,000 for alternative teacher compensation system review panel because the policy folks said they would not do that. He said they added a section to provide funds remaining in the certification fund at the end of biennium to be transferred to general fund. He says they moved the section 28 from 2150 which is no change in policy just change in location.

**Chairman Holmberg** moves on to the School for the Blind, a onetime funding they do not need to do. No changes were made to the School for the Deaf.

**The committee** discusses some concern with similar pay situations that could be coming with two bills, truancy and bullying where the people that have those responsibilities are 100% paid with federal money. Chairman Holmberg says in about a month we will know what the final disposition of those bills are. He says the Senate will be the one that has the conference committee work.

**Senator Wardner** asks about the bullying truancy that there is someone that is paid by federal money so it doesn't fit. The committee answers that yes that it is Val Fischer, and is 100% paid with Adult Ed and Safe and Drug Free Schools. There are some questions from the Adult Ed people who pay the majority of her salary about the amount of time she has been spending. She chaired the interim truancy committee and is the lead on all the bullying legislation. If there is now going to be state policy and some implication for the DPI providing those responsibilities professional development, some potential collection of monitoring of policies that schools would submit those kinds of duties and responsibilities, we should have some state administration in that.

**Chairman Holmberg** responds by saying instead of funding that requirement we are going to work if those bills pass or not. The subcommittee hearing on SB 2150 was closed.

**(There was discussion in this subcommittee hearing concerning SB 2013, DPI Bill, therefore, a copy of these minutes and testimony are placed in the SB 2013 file.)**

# 2011 SENATE STANDING COMMITTEE MINUTES

Senate Appropriations Committee  
Harvest Room, State Capitol

SB 2150  
February 16, 2011  
Job # 14595

Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

A committee vote on SB 2150 – the education bill.

## Minutes:

You may make reference to "attached testimony."

Sheila M. Sandness – Legislative Council; Lori Laschkewitsch - OMB

**Chairman Holmberg** walked through the amendments with the committee.

**Senator O'Connell** moved Do Pass on amendment 11.0208.06002  
**Senator Robinson** seconded.

**A Roll Call vote was taken. Yea: 12 Nay: 0 Absent: 1**  
**Amendment passed.**

**Senator O'Connell** moved Do Pass on SB 2150.  
**Senator Wardner** seconded.

**A Roll Call vote was taken. Yea: 12 Nay: 0 Absent: 1**

**Senator Flakoll** will carry the bill on the floor.

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2150

Page 1, line 1, replace the second "a" with "four"

Page 1, line 1, replace the second "section" with "sections"

Page 1, line 10, remove "to provide an"

Page 1, line 11, remove the first "appropriation;"

Page 1, line 12, remove "the use of federal education jobs fund program"

Page 1, line 13, remove "grants,"

Page 1, line 13, remove "and regional education association grants"

Page 7, after line 9, insert:

**"SECTION 6.** A new section to chapter 15.1-18.2 of the North Dakota Century Code is created and enacted as follows:

**Teacher support program - Establishment.**

The education standards and practices board shall:

1. Establish and administer a teacher support program;
2. Employ an individual to serve as a teacher support program coordinator;
3. a. Select and train experienced teachers who will serve as mentors for first-year teachers and assist the first-year teachers with instructional skills development; or
  - b. If a school district or other employing entity listed in section 8 of this Act is not in need of mentors for its first-year teachers, select and train experienced teachers who will work with school district administrators and administrators from the other employing entities to identify the needs of the non-first-year teachers and help the non-first-year teachers address their particular needs through the use of:
    - (1) Research-validated interventions; and
    - (2) Proven instructional methods.

**SECTION 7.** A new section to chapter 15.1-18.2 of the North Dakota Century Code is created and enacted as follows:

**Teacher support program - Availability of services.**

The education standards and practices board may use any moneys it receives for the teacher support program to provide staff compensation, training, evaluation, and stipends for mentors and experienced teachers who assist first-year and non-first-year

teachers participating in the program, and to pay for any other administrative expenses resulting from the program; provided, however, that the board may not expend more than five percent of the moneys for administrative purposes.

**SECTION 8.** A new section to chapter 15.1-18.2 of the North Dakota Century Code is created and enacted as follows:

**Teacher support program - Authorized service recipients.**

The education standards and practices board may provide support services to teachers employed by:

1. School districts;
2. Special education units;
3. Area career and technology centers;
4. Regional education associations; and
5. Schools funded by the bureau of Indian education."

Page 16, line 29, after "assessments" insert "including the writing test."

Page 33, remove lines 1 through 25

Page 35, remove lines 8 through 31

Page 36, remove lines 1 through 30

Page 37, remove lines 1 through 12

Page 38, line 12, replace "18" with "21"

Renumber accordingly

Date: 2-16-11  
Roll Call Vote # 1

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2150

Senate Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number 11.0208. 06002

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

Motion Made By O'Connell - Seconded By Robinson

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Warner	✓	
Senator Bowman	✓		Senator O'Connell	✓	
Senator Grindberg			Senator Robinson	✓	
Senator Christmann	✓				
Senator Wardner	✓				
Senator Kilzer	✓				
Senator Fischer	✓				
Senator Krebsbach	✓				
Senator Erbele	✓				
Senator Wanzek	✓				

Total (Yes) 12 No 0

Absent 1

Floor Assignment Sen. Frankel

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

Date: 2-16-11  
 Roll Call Vote # 2

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES  
 BILL/RESOLUTION NO. 2150

Senate \_\_\_\_\_ Appropriations \_\_\_\_\_ Committee

Check here for Conference Committee

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

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

Motion Made By O'Connell Seconded By Wardner

Senators	Yes	No	Senators	Yes	No
Chairman Holmberg	✓		Senator Warner	✓	
Senator Bowman	✓		Senator O'Connell	✓	
Senator Grindberg			Senator Robinson	✓	
Senator Christmann	✓				
Senator Wardner	✓				
Senator Kilzer	✓				
Senator Fischer	✓				
Senator Krebsbach	✓				
Senator Erbele	✓				
Senator Wanzek	✓				

Total (Yes) 12 No 0

Absent 1

Floor Assignment Sen) Flakoll

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

**REPORT OF STANDING COMMITTEE**

**SB 2150**, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (12 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed SB 2150 was placed on the Sixth order on the calendar.

Page 1, line 1, replace the second "a" with "four"

Page 1, line 1, replace the second "section" with "sections"

Page 1, line 10, remove "to provide an"

Page 1, line 11, remove the first "appropriation;"

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Page 37, remove lines 1 through 12

Page 38, line 12, replace "18" with "21"

Renumber accordingly

2011 HOUSE EDUCATION

SB 2150

# 2011 HOUSE STANDING COMMITTEE MINUTES

House Education Committee  
Pioneer Room, State Capitol

SB 2150  
03/09/11  
15209

Conference Committee

Committee Clerk Signature



## MINUTES:

**Vice Chair Lisa Meier:** The committee will come to order and we will be going over the education funding and the funding formula dealing with SB 2150.

**Jerry Coleman – DPI:** (Attachment) I put together some information with the intention of going over three of the basics of our format at it exists this current year. As we go along I will go over some of the proposed amendments that are in SB 2150. I printed off a PowerPoint presentation for reference. I wanted to start by giving you a look at the K-12 environment in North Dakota. The chart on the bottom of that first sheet is the K-12 statistics for this current school year. In North Dakota we have 102,359 students. That was our fall count. Of that count about 95,000 of those are enrolled in public schools. Those public schools are operated in 83 public school districts. They operate 373 schools. We have 9,700 reported licensed staff and non-licensed staff that goes along with that is close to 6,000 and we graduate about 7,000 students each year. In the last 15 years we have been a free fall in student losses. It looks like in the next decade we will jump back up a little bit with our enrollments.

**Rep. Brenda Heller:** What does LEA stand for?

**Jerry Coleman – DPI:** LEA stands for Local Education Agency. It is any organization out there that is providing educational services. We have 183 public school districts and we also have 31 special education units. About 22 of those are actually multidistrict cooperatives. We have 10 vocational education centers that provide educational services, 4 state institutions, 46 non-publics, and we have BIE which is the Bureau of Indian Education and they are operated either by the tribal governments or by the Federal Bureau of Indian Education. Most are operated by the tribes but the great source of their funding comes from federal sources.

**Vice Chair Lisa Meier:** With the BIE schools, they don't come into play in the funding formula do they?

**Jerry Coleman – DPI:** They do not. Those are considered non-publics in terms of our formula. We only fund the public school districts. 93% of our students in North Dakota are educated in public schools. On the second page they give you an idea that it is a billion dollar per year business. We collect that based on 5 major sources. There is local, state,

federal, other, and county. County is oil, gas, and coal taxes that go back to your counties and eventually end up in the school districts. These numbers are somewhat misleading in our percentage breakdown because of the ARRB money that the state received last year so that the federal money there is inflated. We received about 150 million from the Federal Government and most of that was distributed.

**Rep. Mark Sanford:** If the stimulus money was not there what would be the percent of state investment?

**Jerry Coleman – DPI:** You are kind of looking at the change that would be experienced with the new property tax deduction. That depends on how you want to calculate it but if you take a look at local and state sources and then adjust it a little bit for tuition, that split is about 62-63 % state sources. It didn't quite get to the 70% level but it made a dramatic impact that the No Levy Reduction Program was about 300 million and so 150 million in one year that was reduced on one side and increased on the other.

**Rep. Mike Schatz:** It says other program services are 10%. What are those?

**Jerry Coleman – DPI:** That would include things like capital construction, transportation, and food services. What we are looking at is general funds so when we talk about capital construction there are other funds for that so the amount of capital construction is funded out of general fund sources. Usually when there is a building project they levy that fund to service that debt.

**Rep. Mike Schatz:** You show 67% for regular instruction for 94,729 students. You show special education for 14%. I haven't seen a special education student enrollment.

**Jerry Coleman – DPI:** The percentage number I think it is 14% that are identified as needed special education services.

**Rep. Mike Schatz:** Is that 14% of the 94?

**Jerry Coleman – DPI:** Yes. The numbers are split up for vocational and special education so that would be extra services that students are getting.

**Rep. Brenda Heller:** Do you guys figure out graduation rates at the high school level?

**Jerry Coleman – DPI:** I don't know those numbers but there is a federal definition on how to calculate those rates. They will take those students when they start and then they move them forward. There is a multitude of adjustments that go on there. I want to say 87% rings a bell but I am just not sure. That is a much lower number than the traditional way of calculating graduation rates. Let's move into our new formula. Right now we are completing its second biennium. In December 2003, 9 districts sued.

**Rep. Mark Sanford:** Back on the special education part. What currently would be with the new formula the percentage of special education costs that would be picked up locally?

**Jerry Coleman – DPI:** I would say about 60% is picked up from local funds. You would go 20 and 20 for the states and federal identification. I think from the Federal Government it was around 40% and they have not lived up to that.

**Rep. Mark Sanford:** There is still a long way to go there.

**Jerry Coleman – DPI:** Yes and I'll get back to the new formula. Back in 2003, 9 districts sued and in January 2006, the parties entered into an agreement to stay the litigation and as a part of the agreement the governor agreed to put in his budget 60 million extra for foundation aid which at that time was about double the increase that they were getting for a biennium. A commission on education improvement was appointed as well and they were charged with working out a resolution to the issues with equity. This commission came up with a recommendation that was introduced and SB 2200 was the bill that carried that in that first biennium and basically what it did was reinvent our funding formula. It dramatically changed the way the system worked. That dealt with most of the equity issues that were associated with the lawsuit. In the second biennium in SB 1400, they addressed adequacy issues and so they made some big efforts in increasing professional development activities, they created some career advisors, they mandated assessments, they came up with a scholarship program and some teacher support programs. Now we are into the third incarnation and the commission has been sunset after December. Their recommendations are for SB 2150 and that continues and that continues the efforts we've seen in SB 1400. One of the major pieces in there that has been removed from the senate that will probably still be alive in the bill will be the teach effectiveness initiatives. What they came up with in terms of a formula was a framework to improve the adequacy and equitable distribution of funding to schools. In terms of funding changes then I mentioned that the governor put 60 million into his budget. Well that turned out to be rather close to 100 million that first biennium and for the second biennium another 100 million. We are not talking about any of the reduction money here. We are talking about the increases in the state funding that is increased in revenue that is going to school districts. On top of that then the state did receive another 150 million in the ARRA money that was used for one time initiatives so infrastructure is what most used that for so a lot of our school buildings should be looking a lot better. The goal was to kind of make that shift from local sources to state sources where there is more effort on the state side which means there is more equity in the funding. The appropriation is listed on the bottom of page three. This is actually our current biennium was proposed for next biennium. The funding gets shifted around and there were things we did with the receipt of what is called education stabilization money. That money in North Dakota was put into the funding formula and at the same time that created what is called supplemental one-time grants. That is how North Dakota handled that and it allowed us to distribute the ARRA money through the formula rather than having to do it on an allocation basis. With the 1113 numbers then you should be able to run them into the appropriation bill for the department with is SB 2013. There is an increase on transportation, we have special education contracts, but most of the money is distributed through the state aid formula. I have put the appropriation numbers for the No Levy Reduction Grant piece there. We also have a second installment on our ARRA stuff which is the Federal Education Jobs funds. When they pass SB 2013 school districts will be able to access those federal stabilization funds. We are waiting on a little bit of clarification but basically it sounds like they can, for salaries they have already incurred, claim these funds. That would free up other funding they could use for other purposes.

**Vice Chair Lisa Meier:** How much funding is that again?

**Jerry Coleman – DPI:** It is on the bottom of page 3 and it is called the Federal Education Jobs and it is 21.5 million.

**Rep. Mark Sanford:** My understanding about the amount is they will pay for teaching merit increases?

**Jerry Coleman – DPI:** That is correct. I think the 2% increase over two years just about equals that amount so school districts will be advised that this isn't as great of loophole as what you might think. It would be offset by those interests in PFFR. They need to be aware of those PFFR increases.

**Rep. Bob Hunsakor:** With all that money going out, are teachers going up the ladder as far as pay or is everything going into the costs?

**Jerry Coleman – DPI:** In terms of gauging that impact it is too short of a time period to really know. I would suspect that it probably isn't going to make dramatic difference because a lot of those extra funds were the one-time expenditures so the school districts would have probably been shortsighted if they thought that was going to continue. If they were going to put that into salaries they would also have to find a way to sustain that.

**Rep. Brenda Heller:** What did you say the Federal Education Jobs appropriation was and what was that for?

**Jerry Coleman – DPI:** 21.5 million. Its design was to save or create education jobs. The program was designed for all the other states that were laying their teachers off so that they could get them back. That is just not North Dakota's situation. Our understanding and we are trying to get a response for the Department of Education on that is that we can use it to fund teachers' salaries. We don't have to create jobs to get the money otherwise that will cause some sustainability problems in North Dakota if they have increase stats in one year. That just won't work for us. We are looking at taking that money, following the rules, and account for it as having spent it on jobs, wages, and compensation and then that amount would free up our resources that can be used for other things. That is exactly how we posed the question to them. We've seen it in other places that it is allowed and but we don't find it in the Department of Education's guidance so we want to be clear on that before we move forward. .

**Rep. Brenda Heller:** Are there a lot of strings attached to that money if we decide to use it?

**Jerry Coleman – DPI:** If we get the answer we want the strings won't be bad. They will need to assess the money and account for it as having spent it on salaries. That just frees up money in the budget for other purposes. If we get that answer then it is not going to be bad in terms of the strings.

**Rep. Lyle Hanson:** In previous funding bills 70% of the new money was to go to teachers. Is there anything like that in the new bill?

**Jerry Coleman – DPI:** That language has been continued in this bill.

**Rep. Karen Rohr:** One of the things I did this past year was I gathered some current data off the website and I actually did a flowchart and a graph on the teachers' salaries in the state of North Dakota. It looked like the average salary would be between 40 and 50 thousand dollars. I've talked to a lot of my teacher constituents in my district and some of them have been in their positions for 7-10 years and they were barely making 30,000. So my question is why there is such an inequity between the rural and the urban teacher salaries?

**Jerry Coleman – DPI:** I don't know if I have a great answer for that. The control of the salaries is with that locally elected school board.

**Rep. Karen Rohr:** So then the teachers got a hold of my graph and they were looking at the makeup and were wondering about the superintendents' salaries and they were not in there. Do you have a resource I could contact to get more information on that or would it be best if I went back to the school boards to get that information?

**Jerry Coleman – DPI:** Our website basically has quite a bit of detail on it.

**Rep. Karen Rohr:** It has names of the teachers and everything. That is the website I went to.

**Vice Chair Lisa Meier:** I see Josh Askvig shaking his head back here and I think he could probably get you that information.

**Jerry Coleman – DPI:** Let's move to page 4. The top chart is our current biennium appropriation numbers. This is elementary and secondary's share of that pie of 35%. Now that 35% does include that 300 million for the Levy Reduction Grants. That flows through the schools but it goes through the schools to reduce their local levies. Now back to our formula where we had a major change back in 2007. What we had in an old formula was a bunch of different pots of money. We had a per student line, tuition apportionment line, special education line, teacher compensation line, and supplemental revenue line. Those were all allocated on a different basis. That got collapsed and all that money was moved in the state aid formula line. The new formula distributes money on a per student basis and doing that through the transportation formula really doesn't work. The transportation costs for our rural school districts are considerably different than what it might be in an urban school district so that one was left on its own. The special education funding, which was the block grant funding, went into the new formula and then here is a set aside for special education contracts. That is kind of an insurance pool. It is designed to protect school districts from very high cost students. There is money set aside at the state level and school districts liability for special educational costs for that student is limited. It is four times the state average for the highest limitation on that.

**Vice Chair Lisa Meier:** How much additional do we have in that cost pool to address that?

**Jerry Coleman – DPI:** It was 15.5 but we asked for another 500,000 so the new one will be 16 million that is set aside for that.

**Vice Chair Lisa Meier:** How much was actually utilized by the districts in the last biennium?

**Jerry Coleman – DPI:** We don't know that yet. It is the timing of how those contracts work. They come usually at the end of the school year so we have one complete school year in so with that 15.5 we think we are track to utilize most of that money if not all of it.

**Rep. Mark Sanford:** Back on the special education thing again. Has the state defined what a commitment level is? The original federal law said that the feds would pay 40, the state would pay 60, and the local would pay none. That was a mandated federal obligation. That was the plan at that time. You are telling me it is 20-20 now and still 60% local. I know in our district that translates into about 55 mills. So you have 110 mills that you can levy and 55 of it is for excess special education costs. Is there a goal?

**Jerry Coleman – DPI:** That is a difficult one to answer too. I don't know if there is an articulated goal where we want to show on the books that the state is dedicating so much of its resources to special education. What I do remember is I think the year before the commission came into being, there was study on special education funding in North Dakota. Some specialists came in and did a report and they had participation from the school districts and special education units. From that report what I recall is that our state and local funding for special education is on par with the national average. However the state contribution that you could identify is considerably less than that. We made a change where we put the funding into the formula so it is one comprehensive formula and we identify an amount that replicates that whole block grant and probably the major purpose of that is to make sure that we are maintaining our state's level of effort for special education. If you up that factor in the formula it is just going to decrease the payment rate and so you are kind of allowing Peter to pay Paul if you try to move that up. There is a conscious effort and they sent that factor at .067 in the first round and they moved it to the .07 in this current biennium and then the recommendation is to push that up another .073. Our formula then in its structure built this framework where we could distribute money to school districts fairly and equitably. This formula is definitely student driven. If you are losing students then you are losing state funding. It goes down if you lose kids and it goes up if you gain kids. It weights for school district size. On page 12 you have the school size table if you want to see how that works. There is a whole list of factors in that table where each school district only gets 1 based on their average daily membership. Basically we have about three tiers. If they under 185, they will get an additional 25% based on the number of weighted average daily membership that they have. In that category we have 57 running high schools and they have average daily membership of less than 185 and that covers about 6,600 students. In our middle tier we have 83 districts in there serving about 28,000 kids. Tier three is our largest school districts and we have 13 districts there that are educating about 61% of our kids. We have three tiers for K-8. In the K-8 we have about 1,300-1,500 students operated out of about 30 districts. That is the size adjustments we have in the formula.



**Rep. Bob Hunskor:** Is there a small but isolated category?

**Jerry Coleman – DPI:** When we move into how the formula works we will talk about that. There is an isolated school adjustment in the formula. We can probably go into the formula. Page 8 shows how we let school districts know how we calculate their payment. Page 1 of the payment worksheet pulls everything together. What we talked about was driven by student membership so the first seven lines add up to your total average daily membership for a school district. There is a middle section that is called Other Program Membership and that adds additional weight for school districts for specific populations or specific needs. In that group you will find the special education factor, summers school factor, isolated school, and things like that. On line 26 we have the school size adjustment factor and then of course the student payment rate. We just talked about our horizontal equity was all driven by the number of students you have and are on the first 7 lines and then you have your add-ons that is sometimes called the vertical equity where add additional with respect to populations and adjust for school district size. In the third category we have equalization adjustments where the formula does consider the local school district's ability to raise money and makes adjustments for that. You could use extra money or reduce their state aid payment for that. 83% for the funding is based on whatever that per student payment rate is and goes out on the basis of students you have. Another 9% is the costs for the weighted adjustments, 4% for the school size adjustment, and then the equalization adjustment piece might be a little misleading but that is 3% net on money that is moving around and amongst individual school districts the amounts can be quite significant. I'll move to the changes with 2150 for the formula. Line 9 with special education you will see the factor there is .07 and that will move to point .073. Line 11 is called technology and that will change to what is called a data collection factor and that will move to a .006. That will fund Power School for school districts. It will work kind of clumsy. Funding will get generated in the formula, it will show up on the district's formula page, and we will deduct that from their payment and pay the bills at the state level over to ITD.

**Vice Chair Lisa Meier:** That funding will include every school district in the state but not private. Correct?

**Jerry Coleman – DPI:** Correct. It will only be for those that are actually utilizing Power School if they are a public school district. There will be exceptions for some that are associated with the BIE schools and the BIE system pays for a system for them so they will be allowed to opt out if they can meet the reporting requirements. There is no provision for funding Power School for privates

**Vice Chair Lisa Meier:** How does that connect with the REAs? Do the REAs have connection with Power School as well?

**Jerry Coleman – DPI:** The REAs don't educate kids. They are supporting support groups so I don't see that they would have a need for a Power School. Power school is a student management system. It can also handle their teacher and do some other things. It is a robust management system for students and staff. The state is interested in paying for that because of the area of data collections for our longitudinal data systems. The hope is we will have one consistent provider of data.

**Rep. Brenda Heller:** Under student membership, p-K special education, what is that?

**Jerry Coleman – DPI:** P-K is preschool special education. Those are students with disabilities. So they are students age 3-5 that are getting special education services and districts are allowed to report them in their average daily membership that is used to generate a state foundation repayment quota.

**Rep. Karen Rohr:** Looking at this worksheet and then looking at the law, there is a big section inside a Regional Education Association. Can you give me an example of an REA?

**Jerry Coleman – DPI:** They started out as joint powers agreements and they basically still are but they state involved in their funding now. There are associations out there now that cover about 95% of the students in the state. There aren't many out there that don't belong to them. They are co-ops that provide student support services. So they can choose to do whatever they want to but I think they are focusing on a core set. In SB 2150 they are rewriting what a core set is. For the most part they are doing professional development activities for their member. The way we are set up is we have 8 of them statewide and right now each of those has a major school district and a college member also. Those memberships would probably be nonvoting members. Privates are also allowed to join those. They are support agencies for school districts and the idea is that school districts that can't provide the services would have a place to go to get services they can't provide.

**Vice Chair Lisa Meier:** And some of their funds come from grants as well.

**Rep. Karen Rohr:** Is it for the benefit of the teacher or student?

**Jerry Coleman – DPI:** I would say both. It is all for the benefit of the student and how you get that done is probably through taking care of those teachers.

**Rep. Karen Rohr:** Can give me an example of and REA that they have out there?

**Rep. David Rust:** And example in the northwest and with the school districts up there is we have some contacts for teaching foreign languages and that is through our REA. I think there are other school districts that do that either with foreign languages or other special classes.

**Vice Chair Lisa Meier:** They just provide some of the extra services to the district.

**Rep. Mark Sanford:** Another example that came before us was the group that came in with the health curriculum and they were so successful down in the southeast and they wanted it to be implemented across the state. We passed the bill and the appropriations people took the money out of it so it. With that health curriculum all that services would go to the kids. The observation I have is you need to have a certain size so you can have specialist and that southeast one has the size.

**Jerry Coleman – DPI:** Line 16 is a change in a factor and actually it is called an at risk factor. Based on the percentage of free and reduced price lunch for a district, it will generate additional funding for that district. It was passed in 1400 but it was passed with a

delayed effective date. This factor will become effective in 2150. That factor is .025 and it should generate an additional 5 billion for school districts over the biennium. It will get weighted heavily to those with higher concentrations of poverty students. Next biennium it will be in its first year. Rep. Bob Hunsakor had asked about the isolated schools and there is an amendment to redo how that actually works. That will create a .10 factor for those school districts that are determined eligible as isolated. Those eligibility tests will be square miles and students. Square millage is 275 and I think if they have less than 100 students. What that does is that square mileage is going to leave a couple school districts out so there is a whole a purpose to faze them over a four year period. They are no longer eligible under the new formula then as an isolated school mostly because of square mileage they are very small school districts. They are small in size but they are also small in area so they will get 100% of what they have been getting this current school year then down to 75, 50, and then down to 25%.

**Vice Chair Lisa Meier:** So eventually they will merge into another school?

**Jerry Coleman – DPI:** That would be up to them and then they would just not be getting the benefit of additional state funding as an isolated school.

**Rep. Bob Hunsakor:** How many are we down to now?

**Jerry Coleman – DPI:** There might be a dozen out there. We are going to have some new ones come on and then we will have few that will drop off. If you understand how page 1 works then you pretty much understand how the formula works. There is a lot of detail behind that but it is driven by average daily membership so we get those statistics from school districts. They report that to us annually. When we used data for the foundation aid formula it is always last year's data. Anything we use is from last year's data. Everything is the formula is a year behind. On page 9, the reason this page exists in there is to apply a fund balance offset. If a school district, in their ending fund balance, has more than 45% of their previous year's expenditures, then their state aid is offset dollar for dollar for that. So if they are carrying over roughly 50% of their current year's operating revenues then their state aid is reduced. It is very unforgiving and it is dollar for dollar over that amount. That is a carry-over from the old formula.

**Vice Chair Lisa Meier:** How many districts are carrying over more than 50%?

**Jerry Coleman – DPI:** Surprisingly it is more and more. Occasionally you will find one that gets surprised by it. They are trying to manage their savings account and something happens that surprises them and they get hit on their foundation aid. It causes a lot of acrimony. Maybe about 12 schools have carry-over. New Town was one this year because of circumstances up there. They received the wind fall in oil lease money to the tune of 25 million dollars over two years. When this gets applied their state aid is basically gone because they have these other resources available. One thing to note on this is it isn't applied to just state aid formula payments; it is applied to all state aid that is going out so they will lose their transportation money too and anything under the contract dollars because they have other resources available.

**Rep. Brenda Heller:** Did you say it was 45% or 50%?

**Jerry Coleman – DPI:** It is actually 45%. It is 45% of their general fund expenditures and then you add 20,000 dollars to that. Any amount that their ending balance exceeds that amount will go to reduce their state aid. We probably have about 6 of that dozen reduce out their state aid down to zero. As I'm getting on to section B it is called imputed valuation per pupil. This example shows you how it is done for the Devils Lake school district.

**Rep. David Rust:** How do you get the state dollar?

**Jerry Coleman – DPI:** The state dollar is the total of all the districts.

**Rep. David Rust:** Is it the total capped valuation divided total pupils? What is formula for that?

**Jerry Coleman – DPI:** Let's walk through the example and we will see how it is done for a district and it is done exactly for the state in that it is the state average of all the school districts. We add them up. It is all of the districts valuation that we use. Basically that is it. We sum it up. What we are doing now in 2150 is modifying that calculation a little bit. Let's take a look at an example of how it is being done currently. What we are doing here is taking a look at additional revenue that a school district gets that raises revenue for them that is not found through their local property valuation. Most of the local money that goes into a school district will be their mill levy times their taxable valuation. There are things that are not generating revenue for them through taxable valuation. The ones that are considered in the formula are tuition that is paid to the other school district to educate their kids so that is additional revenue that they are not generated from local property taxes and county revenue which is tax dollars that are distributed back through the county to the school districts which by large is the oil, gas, and coal production taxes that go back to school districts among others. Of the first 4 only 70% of that is imputed.

**Rep. Mark Sanford:** Your imputed valuation is year to year. The question comes to county and dealing with school districts using oil receipts to buy school buses. Does that come into play here?

**Jerry Coleman – DPI:** By definition if it is distributed back through the county then it was imputed. If it was distributed back through the county then it was imputed. If it was distributed back through the Oil Impact Office at the state level then it was not imputed.

**Rep. Mark Sanford:** So does that suggest that there are or could be loopholes in the system when it comes to calculating? When using an imputed system it is my understanding that through the system it is the goal to capture all forms of revenues.

**Jerry Coleman – DPI:** You can make that argument. It is probably more of a political negotiation and a practical thing to. Can you actually capture everything out there through a formula? You probably aren't going to get it to 100%. One way you could do that is you wouldn't have to impute valuation; you could look at all local income from a school district and run your formula on that basis. The state would pick an adequate rate per student and say it is 10,000 dollars, we will take a look at your local revenue, we will subtract that off,

and the state will sew in the difference. Now it would probably be a 100% foundation formula but the practicalities of it don't seem to be workable for North Dakota

**Rep. David Rust:** Does REC stand for Rural Electric Cooperatives?

**Jerry Coleman – DPI:** Yes.

**Vice Chair Lisa Meier:** Please continue.

**Jerry Coleman – DPI:** We are talking about the amount that we do impute and on the other end of that argument would be that the 70%. That is what the commission, when they worked out the formula, recommended. They did add the REC enforces. For this district, Devils Lake, theirs is 14,131. If you compare that then to the state average imputed of the 25,981, this is the way the system is run. It takes a look at that state average and so Devils Lake if you compare it to the 90%, the state is going to guarantee that they will have a local tax base out there of at least 90% of the state average. The amount that they are below, which is 23,383 shown on line 53, that in the ability to raise money on that per student basis out there, then the state is going to give them additional money through an equity payment and that is calculated in section B. But say, for example, that the number on line 51 had been 50-60,000, they would be considered a high valuation district because they are over 100% of the state average so there will be a reduction in their state aid payment and that is found in the high valuation offset in section C. That is how it is adjusting and those that fall in between 90% and 150% won't see equalization adjustments to their formula. In a nut shell that is how the equity stuff is working. There is another piece to this in that we have what we call some transition adjustments. If we don't have any more questions on that piece I will move to the transition piece.

**Vice Chair Lisa Meier:** Questions?

**Jerry Coleman – DPI:** To keep the flow going I will have you turn to page 11 section G. It is called baseline funding. This was a major redesign in the funding formula that is going out to the 183 school districts we have out there right now. To move this through there was the intention that no one was going to get hurt on this new formula. The way that those are done is through a minimum and a maximum. I will start with baseline funding. I mentioned before that we jackpotted a lot funds. If you recall we had six different lines and those are all added together and then divided by the latest student units for a school district up with what is presented in line 90 which is the baseline funding per student. It is 3,425 for Devils Lake. That sets a baseline for that school district too in that they all will not get through the formula less than 3,400 dollars per wage in student unit. There is a minimum for that one. Now those have been adjusted a little bit and you see the minimum increase where the state has added on additional requirements for school districts. That 3,425 is increased by 12.5% so for Devils Lake they will get less than 38 in 4 per student. That doesn't come into play for them because they are on the other side and giving extra help through the equity formula. For those that are being impacted with a high valuation offset, you will see that they are going to get money reduced but they are also going to get money back because of this minimum guarantee in the formula. The maximum is the same kind of thing only with a different concept in that those were the districts that were really big winners with the new formula and so to control that rate of increase that they were getting, it slowed that down a

little bit. Rather than getting 20% of new money in one year it made sure that they got out of that gradually. SB 2150 is recommending that the maximum increase another 8% in the first year and then after that it will have outlived its usefulness because all of those districts will now have been effectively put on the formula. The first year will increase at 8% to 1.42 and in the second year we will do away with it altogether because it is no longer necessary. SB 2150 did not recommend an increase in the minimum because there weren't any new additional requirements.

**Vice Chair Lisa Meier:** How are we doing committee? Jerry are you almost done?

**Jerry Coleman – DPI:** I am almost done. That actually kind of gets me through this. Page 13 has the schedule from the current school year and has where we are at as of March of this year. The last three columns are the state formula payments and then there is the transportation and mill levy reduction grants. On the third column we start with their average daily membership that is driven by the number of students they have. The way the student units stand is after the adjustments for the school size and the additional stuff like for summer school and special education. The next set of columns in the middle of the page show how the equity adjustments work. If you look at Hettinger which is number 1 on there, they are on the formula is how we would say it. There are no adjustments after we do the weightings. Valley City is what we would call an equity district where they are below 90% of the state average so they are getting a little help on equity payments. It will add 266,643 for them. We drop down to Barnes County North which is a consolidated district up there of three rural school districts. They are a high valuation district so they will see a reduction in their state aid of almost 50% but that transition minimum adds back about another half of that so that is kind of how flow goes through. In Billings County you can see how that works for them. They don't have very many kids but the formula would give that district 214,000 but they just lose all that to the ending fund balance offset. If you look at the last page you see the statewide impact of all the money going in and out. This year we got 409 million, 16 million is offset, and another 10 is given back. You can see there is some impact there. Our transition maximum in this current school year was only costing the state 100,000 dollars. The equity payment in full was moving an additional 22.8 billion out to school districts through the equity payments. You can see there are a lot of districts involved here. We have 64 that would have been subject to the high valuation offset and 37 were getting extra help through the equity payment. There is one last thing when we were talking about that statewide imputed average, I have to tell you that the plans are in 2150 to try to control that a little bit for outliers. We have certain districts that have really valuations per pupil. In SB 2150 there is an adjustment to how we calculate that state imputed average and that would be to throw out the extremes. Extremes are the ones that are over three times the state average and then under as well. The idea behind that is to stabilize the statewide average so it is not all over the place.

**Rep. Mark Sanford:** Maybe Jerry and Rep. David Rust would like to comment on the Tioga District. It is a good example of what happens with high valuation.

**Rep. David Rust:** First of all I don't think we will get hit with it until next year. I think this is flood monies for us. What happens is when you get to that part where they impute the value. Tioga would have received 1 million plus dollars in US Flood monies and that is imputed at 70% which put us over the 150% of the statewide imputed value. If you look at

each school district and if they are between 90 and 150 they don't get anything. If they are under 90 then they go into the equity which is part D. If they are over 150 then they go to the high valuation offset under part C. Because of the flood money got two different years they actually had high valuation loss of 1 million dollars however the transition minimum helped them by 860,000. When you do all the calculations you end up pretty well. What is happening in some areas is property values are going up quite drastically. You get hit through those by exceeding that 150%. The help is that when you go over you get help. Has anyone in the equity formula been hit by the transition maximum? You can't get both can you?

**Jerry Coleman – DPI:** I think theoretically it could have happened. It is probably possible but not likely.

**Rep. Bob Hunskor:** My comment on all of this is that this is really good but it is easy to get lost in it.

**Rep. David Rust:** All you have to do is look at line 53 plus 52.

**Rep. Bob Hunskor:** My point is that for most of us it would be helpful if we took a school like Tioga or New Town or someone and start right at the beginning and go very slow and explain each thing.

**Vice Chair Lisa Meier:** I think if Jerry was willing to do it we could probably get a small group together with him or individually go over it with him.

**Jerry Coleman – DPI:** This worksheet is a live worksheet. If you wanted to see one on the other end it works the same. If anyone wanted to come up to go over this they are welcome to.

**Rep. Bob Hunskor:** Again it is to follow a school and to see exactly how that happens and understand it.

**Jerry Coleman – DPI:** If you come up and need step by step on how this works then this is the thing to have.

**Rep. Karen Rohr:** I think that is an excellent suggestion. I had three things in mind when I read SB 2150. Number one was I wanted to see an outline or a flowchart and you have a worksheet which is great. The second thing would have been taking it through an example like Mott-Regent School or Tioga. The third thing is relative to the new bill that we have here. That is probably the most difficult.

**Jerry Coleman – DPI:** That is what I intended to do with this. I wanted to take you through Devils Lake.

**Vice Chair Lisa Meier:** Further questions? Committee members I think it is important as you have questions to visit with Jerry and figure out any problems you have with understanding the formula. We will close the informational meeting on SB 2150.

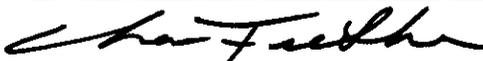
# 2011 HOUSE STANDING COMMITTEE MINUTES

House Education Committee  
Pioneer Room, State Capitol

SB 2150  
03/15/11  
15469

Conference Committee

Committee Clerk Signature



## MINUTES:

**Chairman RaeAnn Kelsch:** We will open the joint committee hearing on SB 2150. We would like to welcome the Appropriations Education and Environment Committee.

**Sen. Tim Flakoll:** Sponsor. (Testimony attachment 1).

**Rep. Bob Skarphol:** These individuals that you are referring to, are they going to tell us what sections of the bill they are going to be discussing in advance so we will know that?

**Sen. Tim Flakoll:** Superintendent Buresh will be talking about alternative middle schools. The Governor will be walking through the bill section by section. Because of the work I am doing, I assume he will be able to shorten up some of those sections. They are assigned a specific topic so they will drill down on them to a greater degree. (Refer to attachment 1).

**Rep. Bob Skarphol:** I need to back up to the kindergarten issue because quite frankly I am not satisfied that we have an accurate enough estimate of the fiscal note on this. We need to have more information than what I can see in SB 2150 or on the fiscal note on that.

**Rep. David Monson:** Back in section nine am I to understand that age six is now the mandatory age to enroll in kindergarten or would they have to be enrolled in first grade?

**Sen. Tim Flakoll:** It would be kindergarten I believe.

**Chairman RaeAnn Kelsch:** Committee members when I started the hearing I asked if we could hold our questions.

**Sen. Tim Flakoll:** (Refer to testimony attachment 1).

**Rep. Lois Delmore:** Co-sponsor. As a long time educator of thirty plus years one of the aspects of this bill that I feel is crucial to the recruitment and retention of teachers in North Dakota is the mentoring program which is included in sections six, seven, and eight. The bill permits the ESPB to provide compensation including stipends to mentors and experienced teachers where it says first year and non-first year teachers participating in the program. No more than five percent of the monies may go for administrative purposes. The bill also extends the program to include not only school districts but also special education



units, area career and technology education centers, regional education associations, and schools funded for the Bureau of Indian Education to be eligible for the training and stipends. I can't stress enough what a valuable tool that mentoring offers. It is crucial that we continue to train teachers and add administrators and promote this program. Mentoring works and I have seen it firsthand in my own district. It will help us keep our brightest and our best. Education is very different and is delivered very differently than it was when I was an eager first year teacher. Counselors and administrators will also need this mentoring process to help in the scholarship portion of this bill. It is a complex system to figure out the scholarships based on two different levels, one with the CTE and one with the academic scholarship. I am sure there will be thorough discussion and added changes. Please give the bill favorable consideration.

**Sen. David O'Connell:** Co-sponsor. I'm going to go through what the commission did. I have served on the commission since it was first put together. In section 28 on transportation basically what we did is in the small schools it asks for ten million and the commission added five. Basically it is 1.03 dollars for 10 or more passengers, 46 cents per mile per vehicle with a capacity of 9 or fewer passengers, 46 cents for a one way transportation for students who reside more than 2 miles from school and are transported by a family member, driving a vehicle furnished by the parent, or are provided transportation either furnished or paid by the parent. We also added 26 cents for one way rides. That is basically what we did.

**Rep. Kathy Hawken:** Co-sponsor. The sections I am dealing with deal with early childhood education. You won't find them in the bill but you will find them in other sections. Part of the commission's work was gearing up for kindergarten which would provide parents the opportunity to learn the skills to work with their students to get them ready for kindergarten. The second portion is a certificate after training as a childcare provider. It is an extremely important piece that addresses our need for increasing our capacity in childcare. We want to make sure the people providing our childcare have the appropriate information and education and that information is found in the commerce bill. While I have this chance, the last three sessions we have had a commission on education for K-12. The work that has been done through the commission has been outstanding and has moved K-12 education in the state of North Dakota forward in leaps and bounds. I want to extend my thanks to those of you that have worked on the commission. It has made a difference.

**Wayne G. Sanstead – State Superintendent, DPI:** (Testimony attachment 2).

**Governor Jack Dalrymple:** (Attachment 3). I am going to go through the bill section by section. I will do my best to make it understandable. The commission on education improvement began about 5 years ago now. Let me say that we were born out of the school funding lawsuits from 12 plaintiff school districts that were charging that the state of North Dakota did not have an equitable and adequate school funding system. In the first biennium the commission primarily tackled the issue of equity and school funding. The next biennium we tackled the issue of adequacy in school funding and in this cycle we have in essence wrapped up both of those attempts, done some fine tuning, and corrected a few things. The commission would view its work now as essentially finished. The commission did not recommend specifically for their continuous work however, if these committees would like to have a similar type of commission that would continue to work in the future

then that is certain up to the legislature to decide. I will go through the sections now. (Refer to attachment 3, *sections 1-35*). I want to bring up a few items now that are not included in this bill but were commission recommendations (refer to attachment 3, *appropriation sections taken out*). Essentially on the blue sheet the program is developed locally. This is an attempt to bring performance measures of various kinds into the concept of teacher compensation. What we have today in North Dakota is essentially teacher compensation based on years of service. That measure alone is beginning to uncover some very serious weaknesses. We need to begin down a path where a teacher can be looked at for the additional work they do, the difficulty of their positions, their participation in professional development, and academic and other measures of student growth which has been very controversy. Looking at that the actual performance of students as one of the indicators of success or failure in classrooms is a very difficult concept. You will not seeing people coming to this podium from the teacher side, school board side, or the administrator side eagerly asking you to go forward with this. It is a very difficult concept. Both sides are apprehensive because it is something that has to be developed locally and it does require cooperation. The commission feels this is an important concept over the long haul to allow school boards and teachers to develop additional measure of compensation. The main features of the compensation are on the handout (refer to attachment 3, *supplemental teacher-effectiveness compensation*). Finally we have one more handout regarding the Jobs Bill and a question has come up regarding the use of the Jobs Bill funds which are scheduled to go out to school districts this spring (Refer to attachment 3, *measures affecting school district finances - teachers fund for retirement*). The commission is simply pointing out that what you have done in HB 1127 is that the first 2 years of that measure would essentially be covered locally by this amount of money. That is not a quid pro quo conclusion of any kind. It is just for your information as you go to assess whether or not the local school district is going to be able to deal with this. We did, as a commission, recommend HB 1127. We do feel that we need to address the issue of the actuarial soundness of the FFR. We believe that this change coupled with some improving on the rest of the terms will take us to a place where 2 years from now we can evaluate the FFR again and see whether additional policy is required by the state of North Dakota. We think for the time being that this about all for right now. We have had some input which our office has participated in on rapid enrollment districts. There is an issue out there with a fairly large number of districts that are experiencing rapid enrollment growth. They define the problem with the way we look back at the enrollment for funding state aid. They also find a problem the 12.5% cap on budget growth when you have that much enrollment growth. We have been looking at things that could be done to help with that and we have also been looking at the permissions that the state has regarding financing of school buildings and I would predict that your committee will see a proposed amendment on those issues in the future as well. That concludes my testimony.

**Doug Johnson – NDCEL:** (Testimony attachment 4).

**Greg Burns – Executive Director, NDEA:** (Testimony attachment 5).

**Jon Martinson – NDSBA:** There is one piece that I would like to add to the overview you received regarding the Regional Education Associations. I would like to have you be aware that those of us that worked with the commission and served on this subcommittee that dealt with the REAs worked closely with the REA coordinators during the time that we were

meeting and the core offerings that you have in section 4 are also the core offerings that the REAs now have in their plans. We work very closely with each other and there isn't disconnect.

**Rick Buresh – Superintendent, Fargo Public Schools:** (Testimony attachment 6).

**Rep. Clark Williams:** In section 9 where the senate has raised the compulsory school attendance to 17, I'm curious during the hearing was there any dialogue the raising of that and was the position of the commission?

**Sen. Tim Flakoll:** I was not on the commission so I am not sure of that.

**Chairman RaeAnn Kelsch:** Rep. Clark Williams could you repeat your question?

**Rep. Clark Williams:** The senate added this compulsory change raising the age to 17. The commission worked on this for a considerable length of time and I am concerned whether they addressed raising the age.

**Chairman RaeAnn Kelsch:** We did not discuss that issue. It was simply an issue brought up by the senate education committee.

**Sen. Tim Flakoll:** I don't think that was a charge of the commission because they deal more with adequacy and equity in those terms. I think that may be beyond their scope.

**Rep. Clark Williams:** When this was brought up in the senate, what was the vote on this particular amendment?

**Sen. Tim Flakoll:** I can find that for you. We voted on it on January 31, and it was unanimous 7-0.

**Rep. Clark Williams:** As a former teacher and high school principal I have always been concerned with the amendments such as this simply because I am more concerned whether this is a form of incarceration rather than a form of furthering their education. I have dealt with students where I thought it was in their best interest to go out and work rather than keep them in a school where they or their parents didn't want them to be there any longer. I am concerned when students have to be at school and we require them to be there and we don't have the cooperation of the parents either.

**Chairman RaeAnn Kelsch:** Further questions?

**Rep. Karen Rohr:** I have to be honest about this particular section. This is the third greatest number of emails that I have received from parents that concern teachers about changing the age to 17. My question stems around any data that supports that particular change in the bill.

**Sen. Tim Flakoll:** It is irrefutable that if a child doesn't graduate from high school they have a greater chance of not being as highly functional in terms of their job earning potential which translates to lower health of that student and we will often be subsidizing them for the

rest of their lives. We will be subsidizing them for 60 years because we didn't provide them with the opportunities to complete their high school diploma. We also know that with the students that drop out we sometimes make the false assumption that they drop out because they are not academically able. Often times they are very bright students and they are often bored. We have done things in the past where we required more options and rigor for them so we don't have a wasted senior year which I think will incentivize them to do better. I think it is wrong for us to say to schools that they only have to teach the easy students. The message we are sending sometimes is don't worry about the rocks in the field that can damage things. One question that was brought up was that the advising wasn't there to provide for those students that had the challenges. In 2009 with HB 1400 we provided a significant boost to the number of people advising these children both from a social aspect but also academically with career advisors and others. We are trying to catch them at a lower age. We are doing things with the amendments to catch them at a lower age with the middle schools and alternative education of the like. I think when we look at it there are a variety of things that show there is a value in moving them to graduation.

**Chairman RaeAnn Kelsch:** The vast majority of the emails you are receiving are coming from home school parents and there are a couple of individuals here from the home school group that will address that.

**Sen. Tim Flakoll:** I think sometimes that if a child graduates from high school and they have not reached the age of 17, they can go on to college or work if they wish. Sometimes some of the emails we have received over time have not understood that. At the bottom end when you look at the enrollment data in 2010 kindergarten has been overwhelmingly supported by families.

**Rep. Karen Rohr:** Do you have specific North Dakota data for the age 17?

**Sen. Tim Flakoll:** I'm not sure how we would get that since it is not in place.

**Rep. Karen Rohr:** You must have some data that indicates why we would need to extend the age.

**Sen. Tim Flakoll:** I believe we need to extend it so we don't have children dropping out. North Dakota is second in the nation in terms of being the second best for dropout rates. I think we need to do better.

**Rep. David Monson:** I think you answered part of it. It is not clear in your bill though and I didn't find it in present law that if you graduated at age 16 that you would be off the hook but it makes sense that you would be. I wanted to find out for age 6 compulsory beginning, would that be in your intention that you could actually start kindergarten at age 6 then? If a parent said I don't want my child to start kindergarten until age 6 they could do that?

**Sen. Tim Flakoll:** They can go at age 5 if they test in. There are provisions for earlier testing in which the house passed and the senate has taken up also.

**Rep. David Monson:** I think you are answering it the way I am expecting you to. What I'm getting at is the compulsory age of beginning school right now is age 7 so a parent could

potentially say I am going to start my child in kindergarten at age 7. If we do this we would now say that parents of a 6 year old that didn't want to start their child until age 6 in kindergarten, they could do that.

**Sen. Tim Flakoll:** I think when you get to age 7 you automatically have to jump to first grade.

**Chairman RaeAnn Kelsch:** I don't believe so.

**Sen. Tim Flakoll:** We moved the age down from 7 to 6 when they are enrolled for those estimated 86 children.

**Rep. Phillip Mueller:** If we have 99% of the young people out there that are age 6 in kindergartens today why would we need to change that? That is already getting done. My question is the rationale for the concern about the maybe half percent of students that aren't in kindergarten.

**Sen. Tim Flakoll:** I think we often times look at education on a student by student basis. We possibly have 86 students who are not participating in this right now. If we don't want to have children left behind then we need to assure that those are also in attendance. The other point is that it creates that gap between the have and have nots. We also had people what issued a concern because they believed that the 86 children that aren't exposed could benefit the most.

**Rep. Phillip Mueller:** It really does take away any options that a parent might have in regard to my son or daughter isn't ready to do that. We only have 86 people out there that aren't in kindergarten and there are probably good reasons for that.

**Sen. Tim Flakoll:** There is still that language that was adopted in the 2001 session that allows for some of the moving in and out. You can't just keep pulling them in and out. You can't just put them in and pull them out at your convenience based on travel schedule or other things.

**Rep. Kathy Hawken:** On the senate amendment where you had to before be entered into early childhood education, was there an exception for those children that have special needs who start at an early age so that they may have a greater chance of success?

**Sen. Tim Flakoll:** Yes there is an exception.

**Rep. Kathy Hawken:** Where is it?

**Sen. Tim Flakoll:** I believe the most common answer I have is federal law.

**Rep. David Monson:** I have a question on section 22 where you leveled out the payments. What was your rationale for doing that? Governor Dalrymple suggested that we should step it up and I agree with that otherwise the school is going to have trouble finding that in their budget and negotiating any kind of a raise that second year. That might mean that if they

get the money up front in the first year that they do give the raise the first year and the second year there isn't a raise. That makes it a little more difficult.

**Sen. Tim Flakoll:** That was talked about and that would be the 5017 amendment. The discussion around that is that we all know they don't have to use the full amount the first year. They can split it out so rather than spend the money they can ratchet that down for their own circumstances. The costs to continue can eat us up. Our cost to continue this session was well over 350 million dollars. This would flatten that out on that portion of the state's budget by approximately 12 million dollars and we feel that is a proper thing to do in terms of being careful with our ongoing obligations into the next session. Technically is no money in this bill it is all in the DPI bill. When we talk about them together we have about 50-54 million dollars that are just the costs to continue. We are trying to rein that in a bit.

**Vice Chair Lisa Meier:** In section 20 where the senate changed at the raise of a .06 factor for supplemental teacher compensation, can you explain why you did that?

**Sen. Tim Flakoll:** I certainly can. We did it because we never felt comfortable with what was done with the 7.5 million dollars. The NDEA, NDBSA, and NDCEL kept trying to drive it and put forth amendments and I know they have had several meetings since then with a variety of people to see if they could come up with a plan that was acceptable. We as a senate are not opposed to some type of merit based funding we just weren't in favor of this particular one. When we look at the groups that are involved we have school boards, administrators, and teachers all involved. It was stated repeatedly that when we are sending them this many millions of dollars, if they feel it is a good idea they can do that on their own. They don't need our mandate to do that. One of the other questions that came up that provides some anxiety for people would be that as we move to some of the amendments that were proposed they were down to 20 thousand students, we had varying levels, we had minimums and maximums type language that was being proposed and to me it was getting back to FTEs again. We didn't want to go to that type of thing. We decided that we would take the money and put it into the foundation aid program and if they wish to participate in a program then they are more than welcome to do that. We would have had the bill out about one week to 10 days earlier if we hadn't kept looking to see what to do here. There were numerous amendments that were proposed to try to see what we could do as far as the committee structure. They weren't necessarily comfortable with the committee. The timeline is very aggressive.

**Chairman RaeAnn Kelsch:** Talk to me about the reason behind adding in the work keys writing assessment. That was something that the commission had numerous discussions about and we felt as though we would start with the ACT writing component and not include the work keys writing component. Can you explain the rationale for adding that in?

**Sen. Tim Flakoll:** We had a request from DPI asking us that it be included in there.

**Chairman RaeAnn Kelsch:** I can look it up I was just wondering the rationale.

**Sen. Tim Flakoll:** That is to find a base for those skills. That is not used as one of the requirements for the scholarship acceptability.

**Rep. David Monson:** I don't believe you mentioned section 2. The governor pointed out that it was a senate change. How would you keep that local tax revenue separate because it says other than those necessary to support the districts kindergarten program of a provision of elementary and secondary high school education services? When you levy your property taxes are you expecting them to write their special levies for pre-training or early childhood education? How will you keep that separate?

**Sen. Tim Flakoll:** We don't want them to take money from special education programs or other programs and comingle that in terms of how they would be coded. That was the reason why they can do that but we don't want them taking from one hand and putting it in another hand and then saying they are short.

**Rep. David Monson:** Are you going to expect them to have a special levy to keep it separate because if you don't it will all get comingled?

**Sen. Tim Flakoll:** No.

**Rep. Phillip Mueller:** We make reference to six categories of ELL. Is that different from previous policy regarding the number of those ELL categories?

**Sen. Tim Flakoll:** I share your frustration. I think every session we have a new way to term those same three categories. For the 2010-11 school year we have 193 children in the most severe level, level 1. We have 361 children in level 2 and 838 children in level 3, which is the least severe category that we fund. It is a new way to name the same thing.

**Chairman RaeAnn Kelsch:** We have changed it every single session since we changed the funding formula. This looks like it might be the best way that we have had so far of actually funding the ELL.

**Rep. Phillip Mueller:** I understand that you can have more than one category in a level.

**Rep. Mark Dosch:** Can we look at section 6-8 of the bill that deals with the mentoring program? Can you give me an idea of what the anticipated costs allocated for that?

**Sen. Tim Flakoll:** I don't have the fiscal note in front of me. It is a continuation.

**Governor Jack Dalrymple:** 2.3 million sounds right and it is a continuation.

**Rep. Brenda Heller:** In section 14 you talk about giving out the scholarship money. Why was that changed to give out 1,500 at the beginning of the school year? If a student only attend the first semester then would you have to refund money?

**Sen. Tim Flakoll:** That means they are eligible for that for the entire year. It is based on 750 and 750. We felt that we would provide them with the funds for the entire year. We would give them the one mulligan after the first term in case they slip because of transitional problems. We are going to provide them with 1,500 for the entire year and if they get a 2.5 after their first term they are still eligible their second semester rather than

what we do now. Right now after their first semester if they don't meet the minimum GPA they are done forever and we were a little more sympathetic on that.

**Rep. Brenda Heller:** I understand that but my question is do you consider a term to be a semester or a full school year?

**Sen. Tim Flakoll:** I consider a term a semester. There was a bill that came over from the house that dealt with quarters but we didn't deal with a quarter issues in this. I am guessing the committee would look at adopting that language that would be or 500 dollars a quarter.

**Rep. Brenda Heller:** My question is why are you stating 1,500 at the beginning of the year and not leaving it at 750 per semester?

**Sen. Tim Flakoll:** We are funding the entire first year. We are not saying that after 750 dollars that you are off the plan because of the grade point qualification.

**Chairman RaeAnn Kelsch:** The reason for that is because you have that provision in the scholarship much like we had that if you don't meet those qualifications after the first semester you have that second semester to get your GPA back up and be in compliance. So that is why you are putting that in the full 1,500?

**Sen. Tim Flakoll:** Correct.

**Chairman RaeAnn Kelsch:** And then if they drop out they still have to pay that back.

**Sen. Tim Flakoll:** Yes. It is much like if they drop out of the other program it would be same provisions. After the first term if they don't meet the 2.75 GPA they get the letter about the consequences that are involved and then the second semester they are required to up their GPA to remain eligible.

**Chairman RaeAnn Kelsch:** Have you heard the bill we sent over where it was the next semester where you didn't make it but you brought it back up the following semester? Our bill is a little bit different and that is why I think it is a little more confusing.

**Sen. Tim Flakoll:** When you are talking about one type of program and switching to another option it does get a little confusing. Ours is after the first year if you haven't met the GPA qualifications you are off the program for one year. Essentially at the end of your second year if your GPA is 2.75 or greater, then you could reapply and be eligible and you could still be eligible for the full 6,000 dollars. After that point if they don't meet the GPA requirements then they are off forever.

**Rep. Mark Sanford:** Talk about the level payment foundation.

**Sen. Tim Flakoll:** I think that it was the case last session that maybe was one of those things that will be addressed in its finality later in conference committee. We were still getting new information as we moved forward. We put the jobs money into this bill because



we needed to make sure that we had a place holder somewhere. The Senate Appropriations Committee slid it into the DPI budget to work on it there. That is why it is not in this bill. There is also some money in there for deferred maintenance. There are some additional funds in there. With the jobs we are still grappling as far as when it can and can't be used.

**Rep. Mark Sanford:** It is a nice option to have and an important piece to have.

**Sen. Tim Flakoll:** We generally have that same philosophy that we need to treat those dollars as one-time funds and not ongoing obligation type funds. It would be very irresponsible if we were to take that money and use that money to any fashion that would cause an ongoing obligation.

**Chairman RaeAnn Kelsch:** Although these monies are a lot more restrictive than the monies that we had last legislative session.

**Rep. Corey Mock:** I'm curious about the changes that the senate made to the North Dakota scholarship. Looking at page 15, line 11; I know many universities recommend that freshmen take 15 credits as the top end of their recommended academic load for that first semester. When you change the requirement for students to maintain enrollment throughout the semester to a minimum of 15 units, was that with consultation with the university system? How did that number come about?

**Sen. Tim Flakoll:** That isn't for freshmen. That is for those in their sophomore year and beyond. We believe that we want to get their academic legs underneath them before we require that.

**Chairman RaeAnn Kelsch:** We are going to bring the Governor up for some questions.

**Rep. Mark Dosch:** I want to talk about supplemental teachers. This is something that we do every day in the private sector. We pay our people based on merit and performance. In your words you said that this concept is a very difficult concept for people in education to grasp. Why do we need a special program? Why can't we sit down and say we are going to start paying our teachers based on performance? The good ones are going to get more and the bad ones are going to get paid less. You also made the comment that no teacher under this program would receive a decrease in pay. With that you just keep leading them on and we wonder why things don't change. If our objective is truly to get the best teachers teaching our kids then why do we need this supplemental program? Why doesn't higher education, the school boards, and all these other organizations say we are going to start paying our people based on the job they do?

**Governor Jack Dalrymple:** That is a very deep question and one that I think a lot of people have puzzled over for a long time. I am not sure I can answer it. I do know that over time the emphasis in the teaching profession, and it seems even nationwide, has been aimed almost primary at job security. We see that in North Dakota as well for the most part. Teachers feel comfortable that they can continue in their jobs year after year. The system hasn't gone to any kind of rigid evaluation. I am not sure I can explain why that is. Maybe it is because it hasn't been that big of a problem up until now. In North Dakota I have always

been under the impression that we have very good teachers. Today we do know that there is a different mix out there. We are not attracting college graduates that are in the top half of their class. We are not competing in many ways with other industries in terms of compensation so to bring performance into the picture now when performance is becoming more of an issue is difficult because we do have a legacy based on the past that we have inherited. Keep in mind on this particular program that it is an incentive. It is some money on the table to incent the school board and a group of teachers to look at a change. It is voluntary. It is not required. Would it be better for the school districts to do these themselves? That would be preferable. We don't see that in most places. There are some school districts that are going here on their own but they are definitely the exception. We are saying there could be extra money here from the state and if you go down the road and try this; hopefully we will find that they see the value and the benefit of that.

**Rep. Mark Dosch:** I think an incentive is needed but I think the incentive would be either you do this or you don't get your base funding. I think it would be much better for the taxpayers and for the students.

**Rep. Mark Sanford:** I have some of the similar concerns and I've been viewing this as a business concept. (Inaudible)

**Governor Jack Dalrymple:** I have spoken with the superintendent of Grand Forks Public Schools and he had experience with the program in Minnesota and his observation was that the academic growth of the students should be a greater factor in what we are doing here. He feels that where the rubber meets the road is centered on if the students are learning more because of their exposure to a certain teacher. He would like to see more discipline in it. You could write this in a way that it is the only criteria. I think the commission thought we needed to address other areas of measure. Nationwide the research has showed where they have had the best success with this concept is when they have a number of different criteria. That blend of criteria is what has made it successful. There is not one single thing that makes the teacher considered worth additional compensation. Obviously the commission wanted this to be palatable. That is why it is locally developed and is voluntary. These five areas are mostly to give a policy guideline on how we envision this. Locally they can change the emphasis by mutual agreement. They don't have to use the criteria that are suggested.

**Rep. Phillip Mueller:** Would you talk a little bit about the Jobs Bill? Would the 21.5 million dollars cover both sides of the TFFR equation? What do we know for sure about our ability to use it for that purpose?

**Governor Jack Dalrymple:** We think that is approximately the amount of money that will be needed in the coming biennium for the impact of the school with is both the school's share and what the school would no doubt have to do for the teacher in order to hold the teacher in. In other words it would be where the actual salary increase would be zero. That is simply an illustration. The money has to go for compensation and the rules have been very confusing. We have some conflicting information. At one time we were told we could look back at what happened throughout the school year and now there is some question about that. In any case that money needs to get out there so they begin spending it on pay increases, new hires, and other forms of compensation. I think the Federal Government

will, in the end, be flexible enough on this and we will be able to show that all the money went to compensation.

**Chairman RaeAnn Kelsch:** However we can't tell them that is what they can do with that money.

**Governor Jack Dalrymple:** The money is targeted directly to school districts. It can't go anywhere else. It is only for compensation and yet we would like you to appropriate the money because we would like your blessing.

**Rep. Bob Skarphol:** With the transportation money there is 5 million, but I don't see a change in the amount per mile or anything. How are you going to distribute the 5 million? Are there more miles coming into play?

**Governor Jack Dalrymple:** We have changed the mileage rate and the per student rate and they are higher than what we have today and the fiscal effect of those changes is approximately 5 million.

**Chairman RaeAnn Kelsch:** Just so you know when the bill was hog housed they put it into a separate section and called it transportation grants distribution so you don't see the increase but they were increased.

**Rep. Bob Skarphol:** From what to what? I would have anticipated that any changes would be in the bill.

**Governor Jack Dalrymple:** I don't have that with me but I can get that. In regard to transportation there is one relevant piece of information that is important. There is currently a trigger in place for 5 million dollars for transportation which was enacted last time. That trigger is attached to additional growth in revenues. I think it is relevant to tell you that initially when the commission voted to raise the rates to 5 million dollars it was our assumption that the trigger wouldn't be realized. It has become clear that the trigger will take place.

**Rep. Bob Skarphol:** On page 22, subsection M doesn't appear to be new language. It was a part of HB 1400 but had a delayed implementation date of July 1, 2011. That has a 5 million dollar price tag. We passed policy 2 years ago for the implementation at the end of this biennium. Can you talk briefly about it?

**Governor Jack Dalrymple:** I'd be happy to give you a list of the contingency measures you passed last time just in case you have forgotten any. Looking forward to the upcoming biennium, subsection M would not be considered new because we haven't enacted that.

**Rep. Bob Skarphol:** But it is a policy change that is going to be forthcoming in the biennium that we did not have in this language.

**Governor Jack Dalrymple:** It would be viewed as a policy change you have already made with a delayed effective date.

**Rep. David Monson:** In section 2 what was in the original bill as it came from the commission and what did the senate change? As I read your testimony it looks like the senate added subsection 2. The original bill had section 2 with A, B, C, and D already in there. Is that correct?

**Governor Jack Dalrymple:** The bill as introduced had section 2 much simpler. It simply took the section we have in code that allows gifts, grants, and donations to be used for early childhood education and it expanded that section to include local tax revenues other than those needed to fund the K-12 program. The only purpose from the point of view of the commission was to clear up any question about whether or not it was legal. There are people out there that were a bit uncomfortable that the statute is silent on this.

**Rep. David Monson:** I'm familiar with that and some of the controversy around using taxable money for an early childhood program. My hang-up is the "other than" on line 27 in the engrossed bill. I'm looking at a school district that has a maximum and can't increase their bill levy. How are they going to, if they choose, offer an early childhood program by trying to access any local tax funds? The way I read this is that they would not be able to. They are probably the core districts that maybe need to offer that program the most and they can't use any tax money. If you are district that is only levying 90 mills you would be able to levy extra mills if you could say that these are "other than" what is needed for the regular K-12 programs. By wording it this way you are saying if you are a rich district you can offer it because you can add some tax money. If you are a poor district and you are already maximizing your levy, the only way you will be able to offer it is be getting gifts, grants, federal funds, and state money. You can't use tax money. Am I right?

**Governor Jack Dalrymple:** Yes. I think you just uncovered the reality of the situation today and that is that some districts that do have plenty of money are offering early childhood education because they can afford to. There are other districts that feel that after they have taken care of everything that they need to that here is a financial issue about getting in to pre-K. There is a difference in a district's ability to pay for early childhood education. The rest of this amendment is a little confusing because it says "may support the program with state monies." There is no state money so why would you put that in there. Here is what was going on. They were afraid that something sort of near childhood education would somehow become eligible for pre-k and there would be state money coming in the backdoor. I don't think there is any danger of that personally. Gearing up for kindergarten is not about pre-K whatsoever. It's about parents and children going to a location and learning how to get ready together for kindergarten.

**Chairman RaeAnn Kelsch:** The commission looked at this language extensively in trying to come up with the best way to state that. If we are uncomfortable with that language maybe we need to work on it. We went through several versions trying to come up with something that stated what those school districts are currently doing to make sure they are not using state dollars.

**Rep. Bob Skarphol:** In section 5 it talks about a compilation of the original bill with the advisory committee and later on it talks about the educational standards and practices board. Just for my benefit could you tell me what kind of requirements those entities had with regard to the reporting on the job they are doing? Who are they accountable to?

**Governor Jack Dalrymple:** In regard to ESPB and the teachers support program, I think that is working quite well. They are licensing and they are diverse board or people that are named in statute coming from the various areas of education. As part of bringing up the standards and the credentials for a teacher in North Dakota we added this responsibility of mentoring the first year teachers. They seem to be well equipped to do that. As far as a rigid evaluation, I don't know if they have a formal process for that.

**Chairman RaeAnn Kelsch:** They are a group that we regularly have come in during the interim to the interim education committee as well as this education committee.

**Rep. Bob Skarphol:** I understand that but getting back to Rep. Dosch's point, is that not that entity providing the information that needs to be utilized as to what way it should be given for different aspects of the teacher provision and the assessment. I would think they would be the logical entity. I am having a difficult time seeing why there is not a connection there.

**Governor Jack Dalrymple:** I think that type of group, a licensing agency, is there to determine minimum credentials for the occupation. If you meet the minimum you can become a teacher and from then on they would be a teacher for life. That is a completely different way of looking at the program in terms of if we can measure differences between teacher from loss.

**Rep. Bob Skarphol:** Maybe I'm misunderstanding the name.

**Governor Jack Dalrymple:** There isn't much in the practices are.

**Rep. Bob Skarphol:** On page 10, line 3, it says 23 units of high school course work set forth in section 8 of this act. I'm having a difficult time seeing the connection.

**Governor Jack Dalrymple:** That is an error caused by the senate amendments. Thank you.

**Rep. Brenda Heller:** Continuing on what Rep. Skarphol was talking about with the ESPB, is this something new that the office will have to deal with now? Will it be additional work?

**Governor Jack Dalrymple:** No. I realize it is confusing because it is all underlined as new language. This program has existed in the past in session law. These are now an attempt to create permanent requirements and criteria of the program and the amount of money appropriated for it is the same. It is a matter of these criteria. When they are first developed you want to review or revise them and this is what they settled on.

**Rep. Bob Skarphol:** To get back to Rep. Heller's question earlier about the 1,500 dollars going out at the beginning of the school year, if a student quits during the first semester and they have spent the 1,500 I'm not sure I would have a lot of optimism that we will get that money back. I'm not sure I agree with giving 1,500 dollars at the beginning of the school year..

**Chairman RaeAnn Kelsch:** That was not a commission recommendation.

**Governor Jack Dalrymple:** I finally got the answer to Rep. Heller's question. It is really about the grades they make their freshmen year and they want to be looking at the whole year for a 2.75 rather than just the fall semester. They are coming at it from the grade point aspect and trying to build more flexibility into that.

**Chairman RaeAnn Kelsch:** What they did in the amendment is they gave you a second chance. The way we passed the law during the last legislative session is you got 750 dollars. If you didn't meet your grades or the requirements the second semester, you did not receive the money. What they did in here was they said in your the first year you get a second chance. What isn't addressed in here is how you address a student that drops out. My guess is you don't get that money back if a student drops out after the refundable deadline. If they drop out midway through the semester you would have a difficult time recovering those monies. If they drop out during the refundable period either those monies aren't there or they should be able to be refunded back to the state. They are saying during that during the first year is the only time you have a second chance.

**Governor Jack Dalrymple:** Our actual position would be that if you don't maintain that 2.75 then you are out.

**Rep. Bob Skarphol:** The money goes to the institution so if you want to get it back you have to get it back from the institution.

**Rep. John Wall:** I have a question on page 16 on the North Dakota scholarship fund. Do you have any idea of what the projected cost of that fund is going to be? Will the lands and mineral trust fund be able to bear the ongoing costs of this program?

**Governor Jack Dalrymple:** There is no question that the cost of the scholarship program will raise as more and more students become eligible and continue to receive the 750/semester. I don't have the exact figure with me but I think we are now probably approaching the halfway point at about 10 million dollars. I could show you an actual forecast on that. We feel that is manageable for the land and minerals trust fund. The current projected transfer from land and minerals to us is 149 million dollars to the general fund. That is far more than we have ever seen before from that area. We feel they certainly can afford it and it is a good use of the funds and it seems appropriate.

**Rep. Mark Sanford:** I want to ask a couple of questions dealing with equity and the maximum. What effect does that have on equity? Do we meet the general test for equity and what is our goal in terms of range?

**Governor Jack Dalrymple:** With the question on the maximum, because of the size increases that you have been appropriating for student payments since this all began, districts have been coming back on the formula out from under the maximum because they are simply receiving more in state funds. At the minimum 42% level, for year 1 we would be down to just 1 district left. The goal has always been to have all districts on the formula. As far as we qualify for the federal definition in which we would be allowed to take into account other federal sources of funding, we are not there. We have come miles and miles in the

equity area providing that every district be at 90% of the statewide average and actually reducing state support at a certain level when you are over 150% of the statewide average. The progress we have made is tremendous. If we are considering everyone from 90%-150% in the acceptable range, the Federal Government would be looking for all districts to probably be within the 25 point range. If you want to go further on equity we can try but I really feel that from here on the progress gets tougher and tougher. We will be having greater effects on the actual funds available to school districts.

**Chairman RaeAnn Kelsch:** Further testimony in support of SB 2150?

**Murray Kline - GNWREA:** We are here speaking in favor of SB 2150 but we would like some consideration for some special circumstances happening in the Northwest with the increase in student numbers we are seeing and our inability to get to 110 mills because of the rapid increase in our property valuations. Property valuations in our area, primarily due to oil and gas infrastructure, are sending some of our school districts back 15 mills back in the 70 mill bracket based on the 12% cap. The student population increase is causing various problems depending on which school district you are talking about. In some cases we have to hire new staff. We have to build homes for them because there is no place to live out there and rent is exorbitant. In some of our districts they are looking at capital projects so we are looking for a way through loans and banking money to take care of our capital projects. We would like to see some consideration for the use of current year student numbers for foundation aid and perhaps some triggering mechanisms that would allow us to go above the 12% cap in raising taxes in our district. One consideration in doing that is we may reach the 45% cap plus 20,000 dollars. Any consideration we may have in those areas would be greatly appreciated. In Alexander my student population has gone from 50 and now to the mid 80s. There is currently a housing project going on and they have put up water, sewer, etc for 60 family units. If we get 1 or 1.5 students per household there my student population is going to double this summer. We do appreciate that our student numbers are increasing rather than decreasing but it does cause some concerns on how we are going to take care of that fiscally.

**Chairman RaeAnn Kelsch:** And you are ok with the rest of the bill and have reviewed that and all you are asking for is for us to make further considerations for those school districts that are having rapid growth and to address some issues within allowances for building and that sort of thing. Correct?

**Murray Kline - GNWREA:** Exactly. You might find this of interest. There is an investment group out of Bismarck that is looking at building a new community north of Alexander. I saw the plans for it and it is a community of 20,000 people. I know people are visiting about purchasing the land and if that land purchase goes through and move forward, then what will happen to my school district?

**Chairman RaeAnn Kelsch:** Maybe they will absorb you into their school district.

**Rep. Bob Skarphol:** I did ask legislative council about the question you posed with regard to the building fund. They are still checking on that and they do have discomfort with some things. We may need to tighten up some language on that.

**Rep. Phillip Mueller:** You talk about the 12% cap in Alexander and you are already at 109 mills plus. How is that going to work?

**Murray Kline - GNWREA:** (Attachment 7). We actually asked for about 40-50 thousand dollars more this year to balance our books. We just projected our budget in 140,000 in new costs for next year. The 12% cap will limit us to raising 45,000 dollars in tax levies. We are looking at a trigger mechanism so that if you have X amount of students coming and it increases your student population by so much then you could increase that cap by a percentage. Philosophically we think that the mill buy down from the state has really been a benefit to our taxpayers. The oil and gas infrastructure is what is driving up the valuation. We would like to capture that. I know in some communities their valuations have went up on their agricultural land and their residential but not near what the oil infrastructure has done.

**Chairman RaeAnn Kelsch:** Committee members you will be hearing more on this as we sit down and discuss the bill. There is a process to what can be done.

**Rep. Bob Skarphol:** The towns reflected on the sheet that Mr. Kline handed out I wanted to point out that it is not just in Western North Dakota. It involves school districts like New Rockford, Harvey, Valley City, and multiple districts. When I was approached by a gentleman from the Northwest I said I didn't want to hear about another oil levy problem. I wanted it to be applicable statewide. It will involve a statewide solution.

**Chairman RaeAnn Kelsch:** Further questions? Further support?

**Marlyn Vatne – Superintendent, Ray Public Schools:** (Testimony attachment 8).

**Chairman RaeAnn Kelsch:** Further questions? Further support?

**Steve Holen – Superintendent, McKenzie County Public Schools:** (Testimony attachment 9).

**Rep. Bob Skarphol:** I'm not sure how familiar you are with Stanley, but they have managed to stay at 110 with a dramatic increase in valuation. Can you share with the committee how they managed to do that?

**Steve Holen – Superintendent, McKenzie County Public Schools:** My understanding is that the timing of when Stanley saw some of the great valuation increase also was the time of the mill levy reduction program. They were at a time when it was reset back to 110 and they took advantage of that as far as mediating some of their problems. They are going to do exactly what Mr. Klein said. They are going to ask for a lot more dollars than the 12% is going to allow them to have.

**Chairman RaeAnn Kelsch:** If they go over 110 they lose state aid.

**Rep. Bob Skarphol:** That is what I am having difficulty with. They told me in 2009 they generated 23 thousand and some odd dollars for one mill and in 2010 it is 34,500 and some. You talk about not being able to know what the valuations are, obviously they must



have had a good idea to stay at 110. I'm wondering if the issue is the inability of the county to provide you with the numbers.

**Steve Holen – Superintendent, McKenzie County Public Schools:** My experience in working with the county has been that they do their best. The utilities and infrastructure is the last number of data they have access to. They truly don't know what the valuation on the pipeline is going to be and that is the most volatile.

**Rep. Bob Skarphol:** There are proposals in the legislative process to try to help provide that information and work with the county to get that done. Are you familiar with that? Is there any reason for optimism that you will have better tools to work with at the county level to give you more timely information?

**Steve Holen – Superintendent, McKenzie County Public Schools:** I believe there is but in talking with officials as well, the timeliness of rendering reports is really the challenge. The county needs our permission first so we have to submit ours in August/September. If there was a way to know the other number before we have to send ours it would be great. What I have heard is the logistics of having that happen are very difficult and I'm not so sure they can be overcome. For my county we have a gas plant being constructed right now. That will probably be on the tax rolls around 2012. I expect our valuation to maybe go up 50%.

**Rep. Bob Skarphol:** Would you folks try to have some conversations with your local county auditors and see what a potential solution could be? Is there something the legislature can do short of giving you 30 million dollars? We need to know what the solution is for the communities and how to address it.

**Steve Holen – Superintendent, McKenzie County Public Schools:** We have to levy in dollars. That is one of our problems. The way to work around that is to work with the county and say we would like to levy in mills and not dollars but that is not technically legal to do. So we could say we want to be at 105 mills so just punch us in and that wouldn't be a problem but levying in dollars creates that issue. I understand we are protecting the taxpayers and we get what we ask for. We don't always know what we need and at the same time when things happen one of the questions you get asked right away when you testify is what your mills are. We like to tax our local entity as best as possible but we are not allowed to. There is no question that it is a statewide issue.

**Chairman RaeAnn Kelsch:** We looked into perhaps certifying at a different time but that runs into school accreditation and approval so there are other consequences that go along with this if you try to prolong it until you get accurate information. There are a bunch of problems that we run into when we look at this issue. As far as delaying the time certification which potentially we thought would give you more time to get the correct numbers from the auditors.

**Rep. Bob Skarphol:** Over the interim Sen. Cook worked with tax commissioner's office in drawing up a design with potential property tax that would have put a burden on the political subdivisions. The price tag on doing it was 96 million dollars and would have required some software. Sometimes the difficulty is implementing the software programs and I'm

not sure we have the uniformity to do it statewide on a county basis. That is the difficulty we run into and I'm not sure we can get it done..

**Steve Holen – Superintendent, McKenzie County Public Schools:** In a perfect world I don't know how you would draft that into law but certainly in a situation that I am foreseeing, I have a 50% increase in valuation coming. A onetime ability to allow me to maybe go above 12 to capture that at that moment in time would help. I guess that would be my thought on a possible solution.

**Chairman RaeAnn Kelsch:** Further questions? Further support?

**Terry Traynor – North Dakota Association of Counties:** I want to clarify one thing. The real volatile piece is essentially assessed property. That always comes in last. The county doesn't value that. We have to wait for the State Board of Equalization and generally the county doesn't get that information until the first week of September and that is when we distribute it to all the tax interest groups. That is the last piece of the puzzle and in some of those districts it is a huge piece of that puzzle.

**Rep. Bob Skarphol:** It is well known in government that even 85% of all computer projects fail. So when I talk about our inability I struggle a great deal with the state of North Dakota to get them the best we can get. I wasn't trying to make derogatory remarks towards any county officials. I am just saying that it is a much larger project than most people recognize and realize. If we were to try to do this, what do you think the capacity is to get it done? We would try to put in a statewide computer program at the county level with the caliber that we should have for property tax purposes. What is your sense of how long it would take?

**Terry Traynor – North Dakota Association of Counties:** I can't see something like that to being done in less than 6 years. We have a number of counties that are doing computer aided mass appraisal projects now and some have been working for a number of years to get it in place. Fortunately the companies that are doing that are generally all using the same piece of software or at least the same software company software. Some of them are different versions. It takes a lot of staff time. We have the same staff trying to keep up with what they are doing and then develop the system. I would guess 6 years.

**Chairman RaeAnn Kelsch:** There have to have been other states that have experienced issues like this and we wouldn't necessarily have to recreate the wheel and we could take a look at what they had done and implement some of the best practices. Does your association or organization ever look at those and bring suggestions forward to the legislature?

**Terry Traynor – North Dakota Association of Counties:** We certainly do look at them in cooperation with the different county official groups. We've looked at consistency in general ledger, property tax, billing codes, and those sorts of things but it is challenging because most of the stuff that is robust enough to do everything that Cass County wants is priced out of the market for some of the other counties. We have never been able to come up with a good pricing scheme that they all could afford.

**Rep. Bob Skarphol:** What would the price be? If we were to buy the license for every county obviously somebody is going to pay for it.

**Terry Traynor – North Dakota Association of Counties:** I think you said the 26 million is the Vanguard price. I don't know if that covers everything. That is a local mass appraisal system but we still have the utilities and the state assessment. Would that be in there? Would that be done differently? Would the state do that on a Vanguard system? I think a lot of questions aren't answered on how we would mess the state assessment with the local assessment in that process.

**Chairman RaeAnn Kelsch:** How do you feel about SB 2150?

**Terry Traynor – North Dakota Association of Counties:** I think it is a great bill.

**Chairman RaeAnn Kelsch:** Further testimony in support?

**Gale Wold:** (Testimony attachment 10).

**Chairman RaeAnn Kelsch:** Questions? Further support?

**Janet Welk - ESPB:** (Testimony attachment 11).

**Chairman RaeAnn Kelsch:** Questions? Further support? Opposition?

**Jeff Hoverson:** I'm actually not speaking against the bill. I'm here to heed warning on section 9 with compulsory education changes. I am representing myself but I believe I am representing a growing chorus not just in our public schools but in our nation that was reflected this fall. That is saying the decisions we make here affect real lives here. I was a bit insulted when that number 86 was talked about earlier as if those 86 families don't matter but in fact those are the only 86 that will be affected. I think it is a lot of well intentioned thought by the Senate Education Committee that put these compulsory age changes in. I think that it was very careless as well and at the very least unnecessary. We have to back up and remember these kids are not yours to regulate in the first place. Until they voluntarily put them in the schools they are not your kids. They are the parents' kids. I think our culture nationally is yelling back off. This one affects the principle of freedom. This change will only affect those that don't have their kids in school. You will find research that it is a bad idea to put children in school at the lower age because of learning readiness. It is the same argument that many groups have against normative standardized testing. If the kid is not ready to learn and you force them, there is research that says they will burn out and hate those forced aspects by the third or fourth grade. We don't want that. If they are ready to learn you have someone that loves learning and those aspects they are ready to learn about. You teach them when they are ready. As far as the other side with age 17, I read a book called A Boy is Adrift. The author points to all those reasons that we are elongating their adolescent. Does anyone know what the number one demographic of people that are not working today is? Males between 18 and 30 that aren't even looking for work because we are not letting them grow up. We aren't dealing with the problem we are just stretching it out and this is a part of that. We have to move the other direction.

**Chairman RaeAnn Kelsch:** Questions?

**Rep. Karen Rohr:** I appreciate you taking the time to get that research information for us. My question is did you have a chance to look at the demographics in North Dakota regarding the non-working students?

**Jeff Hoverson:** No.

**Chairman RaeAnn Kelsch:** Further opposition?

**Jim Bartlett – Executive Director, North Dakota Home School Association:** (Attachment 12). First of all this erodes parental rights so that the parent actually has less authority. It weakens the family structure and it weakens the family's ability to choose when the child goes to school and that is one of the foundations of good learning from the home schooling perspective and in public school as well. We have to watch the children and help them where they need help. Forcing them into the school system early is actually damaging to the child and is working against the notion that good homes causes the best learning for the child. It just works against the public education system. Most of the calls we get is at the home school office is because of people having trouble in the public school. In one sense you could put kids in jail and you will have more home schools. As you make the compulsory school age more expanded you will see more reaction to that by the public and it is because it is a violation of the fundamental parental rights in the 14<sup>th</sup> Amendment. I passed out some studies. Two of them are from the Home School Legal Defense Association with one addressing the raising of the compulsory school age does not bring significant results and the other one shows that early education shows no benefit. What I've heard so far is there hasn't been any significant data that shows that it is helpful. It doesn't reduce crime which is why other states want to extend the compulsory school age. It just confines the crime within the school. It doesn't change the amount of crime happening. Mandatory kindergarten is also found unnecessary. Earlier isn't going to help anything. The National Assessment of Education Progress tests administered in all 50 states showed that with compulsory age attendance those students did not score any better. We want to support not changing section 9 in SB 2150.

**Chairman RaeAnn Kelsch:** Tell us how this affects home school because we don't see the outcry from parents that are sending their kids to public school.

**Jim Bartlett – Executive Director, North Dakota Home School Association:** First of all I bet there aren't a lot of public school parents that are aware of the changes yet. Home schoolers are 14 times more active politically. Secondly the way it affects us directly is filing statements of intent early. When we file statements of intent we have been using compulsory school age as it appears on the statement of intent. We are feeling like we are under compulsion to get started early with these amendments.

**Chairman RaeAnn Kelsch:** If we stated in here that compulsory attendance did not apply to home educated students and that these ages did not apply to them, your opposition would go away?

**Jim Bartlett – Executive Director, North Dakota Home School Association:** Correct.

**Chairman RaeAnn Kelsch:** Further questions? Further opposition? Neutral testimony?

**Connie Mittleider – DPI:** (Attachment 13). As I was sitting in the audience this morning I noticed a lot of confusion and discussion regarding the maintaining of the scholarship. I also handed out HB 1106 because I am going to talk about the confusion this morning regarding probationary period currently as amended in HB 1106 and then the probation period that you are currently considering in section 14, page 15, or SB 2150. First I would like to start with the current policy. When the legislature established the scholarship, to maintain eligibility once in college the student has to be enrolled fulltime and maintain a cumulative 2.75 GPA. The department with the University System established a policy that if a student's GPA fell below a 2.75 at the end of any semester they would forfeit the scholarship. As far as fulltime attendance, if a student is not fulltime at the start of the semester we consider that student deferred and then the scholarship is reinstated once that student becomes fulltime again. We only revoke if the GPA falls below 2.75. Now we have HB 1106. It establishes a onetime, one term probationary period so if a student's GPA falls below 2.75 at the end of any semester, the next semester is a probationary period and that student has one semester to bring it back up to a 2.75 or higher. If they do it is reinstated the following semester. If they don't it is revoked. As far as fulltime, in HB 1106 there is no difference to currently policy. Right now fulltime is established by the respected college and university and in most cases that is 12 semester hours. Now we get to SB 2150. SB 2150 is a little more confusing, lenient, and a little tougher to manage. With 2150 the first semester is basically gratis. If the student enrolls in college, 1,500 dollars goes to the college in August. That student does not have to have a minimum GPA at the end of the first semester and doesn't have to be enrolled in so many hours at the end of the first semester. They don't have to be enrolled at the end of the first semester. That student can drop in October and then come back in January and still be scholarship eligible. But remember they got the money in August. Now we have the second semester. It is at the end of the second semester where the student has to be enrolled in at least 15 semester hours and have a cumulative GPA of 2.75 in order for the scholarship to be instated the following semester. If the student does, the scholarship is reinstated, they go back to school in August, and it continues that way. However, if that student falls below 2.75 or at the end of the semester has lower than 15 credit hours, they get a onetime probationary period and that could happen in their second, third, fourth, or fifth year. So now we have the student that doesn't have the 15 hours at the end of their first year or they don't have the 2.75 GPA, then the next fall semester is probationary. They have the onetime semester to get that back up for the scholarship to be reinstated. There was a good question this morning from Rep. Brenda Heller and I appreciated that. Rep. Brenda Heller you are correct. 1,500 dollars goes to the university in August. If the student drops in October and doesn't go back to school that year but go back in another year or two, that student now has lost ¼ of their scholarship money. They do not have a single credit or a single semester under their belt so the 1,500 is gone. The main difference between the two bills is the payment of 750 every semester and with HB 1106 it is evaluated at the end of every term. I hope that helps clarify things.

**Chairman RaeAnn Kelsch:** It does except that the way the bill reads is that you wouldn't have to have the 15 credits until your sophomore year. It says you get the first 1,500 at the beginning of their first year of higher education and at the beginning of the semester

marking the student's second year of higher education and each semester thereafter they receive the 750 and they must maintain the cumulative GPA of 2.75 and maintain enrollment throughout that semester of the 15 credit hours. So it looks like the first year they don't have to maintain anything. It is not until their second year that they have to maintain the 15 credit hours. .

**Connie Mittleider – DPI:** That is confusing but the wording does apply that during the immediate preceding semester they have to have a cumulative GPA of 2.75 and the 15 semester hours. So that second semester of their first year they have to end up with 15 semester hours and a 2.75. At the beginning of the semester starting the student's second year they have to have, in the preceding semester, ended with a 2.75 and 15 semester hours. Only the first semester of college is gratis.

**Chairman RaeAnn Kelsch:** We like our version better.

**Connie Mittleider – DPI:** I do too.

**Chairman RaeAnn Kelsch:** I think our version is cleaner, it is more succinct, and I think that it is very easy to read. Any questions? It may be that the 15 hours is not too bad of an idea if you are trying to get the kids through college more quickly so I understand where they are going with that.

**Rep. Joe Heilman:** I wanted to say that I understand where the first year part of this comes in because that is when the cumulative GPA is the most vulnerable in terms of the weighting average. So if I drop down in one class, my cumulative GPA goes down further because I wouldn't have as many credits in the bag yet. I do think that part has some merit but I like our version better.

**Rep. Bob Skarphol:** Did you also say you were responsible for the ACT tests?

**Connie Mittleider – DPI:** Yes.

**Rep. Bob Skarphol:** I have a question about the Workkeys writing aspect. It is my understanding that does have a reading and retention aspect to that. Can you talk about the senate's reason for appropriating the writing aspect to that?

**Connie Mittleider – DPI:** The recommendation for adding the writing to ACT students came up in the Governor's Commission on Education Improvement. Of the approximately 7,500 students of juniors that took the test last April, only 375 took the Workkeys. That puts it into perspective for you. Most of us our students are taking the ACT. As it was mentioned this morning, it really is important that we take a look at the writing skills of our students. What we do have really isn't assessing writing. We have applied mathematics, locating information, and reading for information but not really writing. I have been working with ACT and there is a business writing Workkeys assessment. The ACT writing that we are going to add is a one prompt, 30 minute question. The business writing, if we decided to add that, is Workkeys test but it is a one prompt, 30 minute writing assessment. They really do mirror each other. If we want to get a good indication of writing skills of all our

students and not just the 91% and 95% that take the ACT, then maybe we should include those Workkeys students.

**Rep. Bob Skarphol:** What do the national statistics seem to indicate as far as demand from employers for this information because that is really what Workkeys is about.

**Connie Mittleider – DPI:** In other states there is a national career writing certificate that is put out by work keys and it is the three tests that we administer in North Dakota. In some states some businesses, when they are hiring, ask perspective employees for those certificates and if those people have the certificate it gives them the edge. Workkeys has profiled all these jobs and that means that the employee has skills to do 95% of the jobs that have been profiled. So right now there is a bill in the legislature that is asking the Department of Commerce to work with businesses to promote this. Right now is there really a need for a student in the state to take the Workkeys? The answer is no except for scholarship eligibility.

**Chairman RaeAnn Kelsch:** Is there a demand outside of North Dakota? Are businesses finding that the business writing component is an important element to have when these students are coming out with a Workkey certificate?

**Connie Mittleider – DPI:** I would respond no. It is important for employers outside the state to see that national career writing certificate. If we would administer the business writing it would basically be for data purposes to track progress of students on writings.

**Chairman RaeAnn Kelsch:** How many did you say had taken the Workkeys?

**Connie Mittleider – DPI:** 375 only took the Workkeys. They did not take the ACT.

**Chairman RaeAnn Kelsch:** How many students total took the Workkeys?

**Connie Mittleider – DPI:** I had 321 I believe that were eligible for the CTE scholarship and I don't know how many of those got it when they were a junior. I would estimate a total of 500 in the last year.

**Rep. Bob Skarphol:** I appreciate your perspective that maybe it is important to have writing skills but I am wondering if it discourages some students from taking the Workkeys because they don't want to do that aspect of it. If that is the case then I think it is a mistake to have the requirement regardless of how much data you want because the intent of the Workkeys is very different than the academic.

**Chairman RaeAnn Kelsch:** I can address that a little bit. That was the reason we didn't put it on in the commission. You have to know that both the writing component for ACT and the way that it is written here for the Workkeys, neither of them would count towards the scholarship. Basically what they are for is to look at the writing skills of the students in North Dakota. It was one that we did look at and say for those kids that are strictly taking the Workkeys, I am not sure that it is the most important component to them having their business skills assessed. That is why the commission didn't put it in.

**Connie Mittleider – DPI:** That is correct.

**Chairman RaeAnn Kelsch:** Further questions? Further neutral testimony? Jerry Coleman could you come forward?

**Chairman RaeAnn Kelsch:** Rep. Skarphol was bringing up the Stanley issue and their taxable valuation. Are you aware of that issue and can you speak on that?

**Jerry Coleman – DPI:** I am not.

**Chairman RaeAnn Kelsch:** I wasn't sure if you would know the answer or not. If you could look into that, that would be great.

**Rep. David Rust:** It isn't that you can take last year's expenditures and increase it by 12% is it?

**Chairman RaeAnn Kelsch:** No it is not.

**Rep. David Rust:** There are other qualifiers. You could add new things in the role and so forth. In my mind I was trying to figure out how you can go from 110 and go to a mill levy and from the tax evaluation it is the taxable valuation. You can't do it with just increasing you expenditures by 12%. There has to be other qualifiers that would mean you could take 12% of what you assessed last year and then you can add the new on top of that right?

**Jerry Coleman – DPI:** My understanding is that you can increase 12% in dollars over the previous year up to you are mill cap unless the voters allow you to go higher. I will do some more research on that.

**Chairman RaeAnn Kelsch:** That is the issue and I think some of those superintendents have been told to go ahead and raise it to whatever you think it is going to be hoping to come into the 110, but if they come in at 111 or 112, then we withhold state aid so it is kind of becoming a game.

**Rep. David Rust:** As I recall we were limited by 185 mills so if I levied 12 million dollars more than what I needed, I believe that the county auditor just levied up to that 185 and then stopped. If that was 11,500,000 dollars less then they just dropped that. You levy more and when you get to that limit they quit taxing.

**Marlyn Vatne:** My auditor scared me a little bit when she said she only looks at the number that I levy. That scared me a little bit even if I put on a limitation of 110 mills. I always levied lower for where I thought I would come in at 110 safely. It is a shell game.

**Rep. Bob Skarphol:** What does that mean when you say they quit taxing at that mill levy?

**Rep. David Rust:** My understanding is basically what it amounts to is they would levy the amount up to 110 and then they would stop. Essentially nobody's taxes for school district purposes would be over 110 mills or 185 back then.



**Rep. Bob Skarphol:** Why wouldn't a school just do that and deal with it that way?

**Marlyn Vatne:** The reason is we are supposed to levy dollar amounts, we are supposed to put in our preliminary budget, our final budget, and our amended budget. That is the number we ask for. If we put in a fictitious number and they stop at 185 mills, for an example say I ask for 200 thousand, but the 185 mills came in at 185 thousand. Now what I have to do is go back and change a budget that has already been signed off as being my official budget for the year. To me that is not legal.

**Rep. Bob Skarphol:** Signed by who?

**Marlyn Vatne:** It is a certification process.

**Rep. Bob Skarphol:** That is forwarded to DPI?

**Marlyn Vatne:** Correct.

**Chairman RaeAnn Kelsch:** When we sat down with those school districts from the NW that was a questions that was asked and has come up many times. If you exaggerate that budget you can do that until you get caught and then that is something you don't want to happen to those school districts. Unfortunately what we are seeing in the NW are these taxable valuations absolutely going through the roof and you can't tell from one month to the next what they are going to be. They are seeing that rapid taxable valuation growth and it is really causing some major issues. The one that I thought was interesting was the one that levied 110 mills that actually came out to 74 mills

**Rep. David Rust:** I went back and looked at Tioga and they took exactly the dollars that they had levied the previous year and added 12% to it, submitted it, and thought they were going to be ok. Because of their rapidly increasing taxable valuation, the number of mills went from 94 to 74.

**Chairman RaeAnn Kelsch:** Those are some of the anomalies they are experiencing in the NW. Do you say the 12% isn't adequate for them and maybe go up to the 18 % to try to see if they can get up to that 110 mills which would meet a lot of their needs. Those are all numbers we will have to look at.

**Rep. David Rust:** As a responsible school district you want to be realistic with your tax payers. You want to levy appropriately so you don't create undo tax burdens for the people in the community.

**Rep. Phillip Mueller:** I think the discussion is rather interesting. I think it is important that we figure out if the 12% increase is not adequate because it isn't enough money or is it not a good deal because we are going to lose state aid? I think that is what this committee needs to be looking at. It is a little hard to get my head around the fact that we can go with 12.5% on a budget and that is not enough.

**Chairman RaeAnn Kelsch:** I think if you looked at most school districts if they attempted to do that it would be suicidal. I think in their area where they are not even able to get up to 90 or 95 mills they potentially need it. I think we have to remember that we are talking about tax payers and that percentage. We need to discuss if we are going to allow school districts to keep increasing their mill levies in order to get them up to that 110.

**Rep. Phillip Mueller:** It is also important to remember that the taxpayer may not be up for it.

**Chairman RaeAnn Kelsch:** We will close the hearing on SB 2150.

# 2011 HOUSE STANDING COMMITTEE MINUTES

House Education Committee  
Pioneer Room, State Capitol

SB 2150  
03/21/11  
15769

Conference Committee

Committee Clerk Signature



## MINUTES:

**Chairman RaeAnn Kelsch:** We will call the committee back to order on SB 2150.

**Rep. John Wall:** I am before you today to introduce amendments to SB 2150 and offer my support to the amendments. I will leave the explanation of the specifics of the amendments to Mr. Porter and Mr. Jerry Coleman. The reasons for the amendments were initiated during the interim by basically two special education units in the state. Mr. Porter and Mr. Coleman can explain the need for the adoption of the amendments and can speak to the number of individuals who will be affected by these amendments if they pass.

**Chairman RaeAnn Kelsch:** Questions?

**John Porter – Special Education Director, South Valley Special Education Unit:** (Testimony attachment 1).

**Rep. Corey Mock:** Is the 72,000 dollars per year or biennium?

**John Porter – Special Education Director, South Valley Special Education Unit:** That is per year.

**Vice Chair Lisa Meier:** How many students total do you actually have that need reimbursement through special education?

**John Porter – Special Education Director, South Valley Special Education Unit:** For my unit we have 1 student and 4 students from Sheyenne Valley.

**Vice Chair Lisa Meier:** Out of those 5 students what is the furthest distance that they have to travel?

**John Porter – Special Education Director, South Valley Special Education Unit:** Currently one way would be 75 miles.

**Chairman RaeAnn Kelsch:** Further questions? This is 72,000 per year so it would be 144,000 for the biennium?

**John Porter – Special Education Director, South Valley Special Education Unit:** Correct.

**Chairman RaeAnn Kelsch:** How many students would that cover and where did you come up with that number? Is this just the five students from your district?

**John Porter – Special Education Director, South Valley Special Education Unit:** This is the five total students.

**Chairman RaeAnn Kelsch:** Technically if we add this language in, that 144,000 dollars would just be absorbed in the current funding formula we have, correct?

**Jerry Coleman - DPI:** I believe it could be as long as it stays in that range.

**Chairman RaeAnn Kelsch:** Would we anticipate that it would go outside of that?

**Jerry Coleman - DPI:** Basically what I heard was that it wasn't a common situation. I don't perceive that it would expand the way transportation is provided for special education kids. It would just be special circumstances at the individual level.

**Rep. David Rust:** If this were to pass what would that do to your example on page 2? How would your example on page 2 be refunded?

**John Porter – Special Education Director, South Valley Special Education Unit:** How would it change?

**Rep. David Rust:** Yes.

**John Porter – Special Education Director, South Valley Special Education Unit:** Essentially I suppose you would sub in 46 cents per miles instead of the 55 cents per mile we would be short about 9 cents per mile that we would be coming up with on costs on our own. It would assist us greatly.

**Rep. David Rust:** Would it be 46 cents at the bottom instead of 40 cents?

**John Porter – Special Education Director, South Valley Special Education Unit:** Yes. It would be 46 cents so it would come up through the total reimbursement. If the amendment would need to include that it is round trip, because the current transportation block says one way, we believe that the amendment is enough to state that it would be round trip and would encompass both ways of transportation. That would be the other significant change.

**Rep. David Rust:** Basically what I am saying is you would just insert that a person would still get paid 55 cents a mile and that doesn't change. What changes is 46 in place of the 40 and would it eliminate the 2 miles?

**John Porter – Special Education Director, South Valley Special Education Unit:** It would make that to 4 trips per day because it is up there and back twice.

**Rep. David Rust:** Would it sub 5 miles?

**John Porter – Special Education Director, South Valley Special Education Unit:** Yes.

**Rep. David Rust:** So 0.46 and 75 times 4?

**John Porter – Special Education Director, South Valley Special Education Unit:** Correct.

**Rep. Karen Rohr:** The parents have voluntarily identified Anne Carlsen as the private school to take their child versus public school? Is that what I am hearing?

**John Porter – Special Education Director, South Valley Special Education Unit:** Actually the IED team has determined that Anne Carlsen Center is, in my particular case, the entity that would best meet the student's needs. So it is collectively the school districts, administration, I, and the special education team at that district and which includes the parents that have determined that the student's needs are best met at the Anne Carlsen Center.

**Rep. Karen Rohr:** So that means you were unable to provide the special services for this individual then?

**John Porter – Special Education Director, South Valley Special Education Unit:** For his unique needs yes in that current school district and that is the same case for the students in the Sheyenne Valley special education unit. Their IEP teams have determined that the needs of those students can't be met in the resident districts and they must be transported to a neighboring district.

**Rep. Mike Schatz:** You are showing 4 trips here. Is it better to make these 2 trips and pay somebody standing time rather than up and back twice for 1 child?

**John Porter – Special Education Director, South Valley Special Education Unit:** With the particular student in question if we were to transfer via a school district we would require 2 people just for safety reasons. We would probably have 2 people transport and then calculating out the costs of that it comes out to be roughly the same.

**Rep. Mike Schatz:** Are there two people talking him up right now?

**John Porter – Special Education Director, South Valley Special Education Unit:** No his mom or dad does. Because the parents are his parents there is not the same level of risk that would be undertaken. When you transport someone else's children you take on a larger risk and do to that larger risk I would advise that we have two people riding with that child.

**Chairman RaeAnn Kelsch:** Anita, do the amendments do what is being asked to do?

**Anita Thomas – Legislative Council:** Mr. Coleman and I were just talking about the reimbursement of essentially 2 round trips. If that is the understanding I have a little bit of additional language. Something like a number 6 that would read the reimbursement provided for does not exceed 2 round trips daily between the student's home and school.

**Chairman RaeAnn Kelsch:** For clarification this could be absorbed within the current transportation funding formula that we have?

**Jerry Coleman - DPI:** I believe we could do that within our current appropriation. I have one clarification. In John's testimony he talked about the state reimbursement currently for family transportation and that is 40 cents per mile for a one way trip. If it is 75 miles they get paid for the 75 mile minus the first 2 so it is 73 times the 0.40. They are only reimbursed currently for the one way trip. It would be good to be on record at least to understand what we meant by the 46 cents per mile. Would that be only the miles while the students was being transferred or would it cover the times when the parents came home during the day? We would have to be very clear about that.

**Chairman RaeAnn Kelsch:** Anita if you could put those clarifications into the amendment for Rep. John Wall then we can have it as a proposed amendment.

**Rep. John Wall:** I will work with Anita and make the changes. I will read the amendment. On the bottom it becomes number 6 and reads that the reimbursement does not exceed 2 round trips daily between the student's home and school. At this time I would move this amendment along with the other proposed amendments to re-engrossed SB 2150.

**Rep. Mark Sanford:** Second.

**Chairman RaeAnn Kelsch:** In this section it means a student with a disability or I guess individual that is at least 3 years of age but has not reached the age of 21 before September 1, and that they are incarcerated in an adult correctional facility. They require special education because of mental retardation, hearing impairment., deaf, blindness, a speech or language impairment, visual impairment, emotional disturbance, orthopedic impairment, autism, traumatic brain injury, clear health impairment, or specific learning disability. It goes to say that is the definition that is defined in chapter 15.1.1. Any discussion on the amendment? We will try a voice vote.

*Voice vote:* Motion carries.

**Chairman RaeAnn Kelsch:** We are going to start walking through the bill. Section 1 is the new way of funding Power School. Those of you that were on this committee last session we took on the funding of Power School and it was put into the foundation aid formula as a factor however, what happened was that due to time constraints and the amount of time that it takes to get school districts on to Power School, some of the school districts received the money but never did get on Power School. The thought was instead of sending the money directly to the school districts, as the school district gets on to Power School, the amount payable that they would receive would be sent to them at that time. That seems to make a lot more sense when you think about it because you should get reimbursed for it only when you are up and running on it. It has the .006 factor to transfer the funds from DPI

to ITD and there is the cost of the 2 temporary fulltime employees which are computed within the factor. ITD came to us and said they were going to need those 2 temporary employees in order to get Power School online for all of the schools and then if we have included too much money into the formula for the schools to come on to Power School, then the rest of that money is redistributed back out on foundation aid. DPI has the authority to waive the requirements in the event that the district's reporting system is compatible and all other requirements can be met. This waiver is only available for the BIE schools. The senate did nothing to section 1. The way that section 2 was introduced was that the school district could establish early childhood education program and use excess local tax revenues in order to continue their early childhood education program. The reason for this clarification language is that there are school districts out there that are providing pre-K education using local dollars and there was a gray area in law as to whether or not they could do that. What the commission said was let's make it crystal clear that they can do that but they can't use any state funds. I think what the senate did was a little suspect. Number 1 it muddies the water but I also think what they are doing here is a precursor to funding for pre-K. The way that it reads is when you say state money specifically it appropriates for the program. Going into 2 where it says for purposes of this section, state monies specifically appropriated for an early childhood program. My recommendation on this section is to remove B and to remove subsection 2. Basically it reverts back to the language as the bill was originally introduced by the commission. It does what it was supposed to do without putting a placeholder in there for state funding for pre-kindergarten.

**Rep. David Rust:** I'd like to talk about 1A. When I look at local tax revenues, other than those necessary to support a district's kindergarten program and provision for elementary and high school education services, if you start with other and end with services, what monies do you have that don't do those things? All of the monies that you use from local tax revenues support the kindergarten, elementary and high school education services. Do they support something else? I'm wondering why that is there.

**Chairman RaeAnn Kelsch:** The reason it is written that way is because the school districts that are currently operating the pre-K program have satisfied the needs they have for their kindergarten program or their high school program and have local dollars that they use for those programs and I think it is Devils Lake, Dickinson, Fargo and Grand Forks.

**Rep. David Rust:** I still don't see a need for having it there.

**Chairman RaeAnn Kelsch:** The only reason we put that in there was for those school districts that are providing the services. The law as a little gray and they wanted it to be clear in law that they could use their local revenues, gifts, or donations which goes into C and D. The way B was written I question the motives behind it. Being on the suspicious side I think that B and number 2 were put in there as precursors to funding pre-K.

**Rep. Mike Schatz:** If they are holding early childhood education in the school aren't they using state funds? They pretty much have to be.

**Jerry Coleman - DPI:** I guess I don't know how to respond to that. I am not making that connection. Local dollars are used exclusively to support all the building projects. I guess I don't know how to respond to that.

**Chairman RaeAnn Kelsch:** That would be true because you can't use state dollars to build buildings.

**Rep. Mike Schatz:** No but you are going to heat and maintain the building. The money that comes from each individual student is going to be used to make the school run so in other words I think you are going to be using state funds in order to subsidize early childhood education.

**Chairman RaeAnn Kelsch:** The program is that the school districts are doing it because they thought they were in the letter of the law. There are some very successful programs out there that are being run and they feel as though if we don't make this technical correction that they will have to shut them down.

**Rep. Corey Mock:** For clarification on removing subsection B in section 2, is that to remove the proposed changes or to remove the entire language including existing language?

**Chairman RaeAnn Kelsch:** That is just to remove the proposed language.

**Rep. David Rust:** What about part 2 of that. Did we talk about that already?

**Chairman RaeAnn Kelsch:** I said delete part 2.

**Rep. David Rust:** In that whole thing I probably would have gone with the board of the school district can establish an early childhood education and ended it there. What would that have done?

**Chairman RaeAnn Kelsch:** We looked at this.

**Rep. David Rust:** I was wondering if you could establish it doesn't that mean you could any monies you wanted. Why specify because when you start specifying then you start limiting.

**Anita Thomas – Legislative Council:** You are getting into that gray zone. Can the schools use only the money that is appropriate or can they use any money that is miscellaneous or generally available? You are getting into a legal dissertation on that on. That is why when the issue first appeared, the directive was to try to make clear that certain funds are available to the schools for the early childhood programs and hopefully to remove some doubt.

**Chairman RaeAnn Kelsch:** We will come back to this but just so you know there are some issues with that section.

**Rep. Brenda Heller:** Is that a local decision and then are they totally just sending their tax dollars?



**Doug Johnson – NDCEL:** I'm not sure exactly how Devils Lake is using those funds but I would guess that it is probably some monies they may have from grants or they may use additional monies they have had supporting the program and possibly even from their own local mill levy. We knew we had school districts and typically those school districts would be able to have a mill levy lower than what was required at the 185 mills limit. Then they might be able to have some monies that would be available for an early childhood program. We weren't sure who those districts were we just think there are enough that are out there that we could clarify it in this section to make sure if they do that they could use those dollars. They would be in place of, in my opinion, the state dollars they would get for foundation aid payment. They would have to have some type of bookkeeping to show how they are doing it from that point on.

**Rep. Mike Schatz:** I'd like to find out where Devils Lake does get its money to run its preschool program before we move on with this.

**Chairman RaeAnn Kelsch:** We can have Rep. Dennis Johnson get that for us since it is his district and he is in contact with them.

**Rep. Brenda Heller:** It is only his district that does that?

**Chairman RaeAnn Kelsch:** His has the largest preschool program. I believe there is one in Fargo and Dickinson. Grand Forks doesn't and I think there are a couple of the smaller ones that do it. There is a handful that are doing it.

**Rep. Mark Sanford:** I would speculate that you might have a grant. Let's say you didn't have a grant or any other resources. One of the things you would do then is make a decision on how you were going to use your resources and it mean be two or three students in a classroom. You would have to modify the program or your current financial plan on a year to year basis in order to fund it. Some districts might build a reserve and maybe they aren't doing that. There is a way to do it but it within the 110 or 185 mills. It would be a decision to give up this so they can do that, unless there is a grant.

**Chairman RaeAnn Kelsch:** Section 3 is the REA joint powers agreement criteria and the board membership. Anita is most of the language on page 3, 4, and 5 clean up language for verbiage?

**Anita Thomas – Legislative Council:** They wanted to remove the old duties because they had been dated.

**Chairman RaeAnn Kelsch:** The senate added that it allows that a designee may serve in place of the designated school district's board member. The purpose behind that was there were some of these board meetings where it was difficult for the appointed members to get there. They all are school board members so if one school board member couldn't be there the designee could be there just to make sure you could get to a quorum so their school district would be represented at the meetings.

**Rep. Karen Rohr:** Could you give an example of who that would be?

**Chairman RaeAnn Kelsch:** Typically on the REA board the superintendents are represented but then there also is a school board member so for example let's say you and I are on the Mandan School Board and I couldn't make it, I could make you my designee. If I were the appointed school board member but couldn't make it for a specific meeting, I could make you my designee to attend that meeting on behalf of our school board.

**Rep. Karen Rohr:** Would it have to be from the school board?

**Chairman RaeAnn Kelsch:** Yes.

**Rep. David Rust:** Did you say that superintendents are on both boards?

**Chairman RaeAnn Kelsch:** They aren't on there. They are ex officio members.

**Rep. David Rust:** Currently the way the REA is set up is every member on the REA board must be a school board member. It doesn't allow for them to designate a superintendent to go. This once would allow for a designee which could be another school board member or a superintended or someone of their choosing.

**Chairman RaeAnn Kelsch:** Well it says require that each member of the governing board be an individual currently serving on the board of a participating school district or the designee of the participating school district's board. You could probably construe it that it could be the superintendent and make them the voting member for that particular meeting if they were the designee. Section 4 lays out the recommendations for the core offerings that each REA must offer. Those would be the core services and then if there were services that are unique to that REA or to the schools in that REA they can go outside of those five areas and offer those.

**Rep. Mike Schatz:** Going back to the REAs it says a school district must have a combined total land mass of at least 55,800 square miles. How did that number get in there?

**Chairman RaeAnn Kelsch:** When REAs were first brought before the legislative assembly there was some criteria we thought was necessary just to make sure you kept the REAs in somewhat of a close proximity so you weren't having the Bowman School District joining the REA in Grand Forks so there were some were limitations and some of those limitations were limitations that we used in determining consolidation numbers. We've had numbers like this in law before. While they wanted it to be a grassroots effort, when they did come to the state for some funding, the state decided that we needed some specifications in there and that is where those numbers come from. I think they are still working.

**Rep. Karen Rohr:** I heard Anita use the term earlier that we were trying to make this a little bit more flexible and yet the language is more definitive and non-negotiable. Can you explain that?

**Chairman RaeAnn Kelsch:** The reason for that was once the state got involved in funding REAs, we wanted some accountability and that is where these core offerings came up. We had REAs that were doing a fabulous job in some areas and maybe not quite as good in

others and we thought if you had core components that each one of the REAs needed to offer, we would see more consistency and greater outcomes.

**Rep. Brenda Heller:** How were the REAs funded before the state got involved?

**Chairman RaeAnn Kelsch:** When REAs were first started they were a grassroots effort where school districts did it through a joint powers agreement which is still used. They began as joint powers agreements and funded the services themselves out of their per-student-payments. We don't fund them 100%. They still take money out of their per-student-payments and use it to fund the services from the REAs.

**Rep. Brenda Heller:** In section 3 why is all that language crossed out on page 4 and most of 5 and then there is all the new language on page 6?

**Chairman RaeAnn Kelsch:** It was antiquated language if we were going into the core services to be offered in section 4.

**Anita Thomas – Legislative Council:** During the early days the REA were required that they offer certain services for each year of their existence. Most have been in existence beyond that 5 year point.

**Chairman RaeAnn Kelsch:** That is where we came up with the language in section 4. On page 7 section 5 I have a couple recommendations about amendments for the advisory committee. I am confused because I thought the 122,000 dollars that was the appropriation for the Professional Development Advisory Committee was just expenses or was their per diem included in that number?

**Jerry Coleman - DPI:** I believe as it was introduced in the executive budget that 122 included the per diem so it was both expenses and the per diem. The senate removed the per diem part and I don't know if that is reflected in SB 2013 now.

**Chairman RaeAnn Kelsch:** It seemed to me that it should have been that the incentives were 40,000 dollars and the 78 was removed because that was the per diem and the expenses were what was left.

**Jerry Coleman - DPI:** The numbers I saw were the 122 covered both and by removing the per diem I think that amounted to about 30,000. That is in the DPI appropriation bill but that 122 is in our operating lines. I did not see that senate appropriations made an adjustment to our operating line.

**Chairman RaeAnn Kelsch:** I didn't see it either but that was what we were told. We were told that they removed the per diem part of it and just left the expenses but even on the green sheet it didn't reflect that. All it says is entitled to receive reimbursement for expenses. It doesn't say per diem so it only relates to expenses in this amendment. I think that is fine. My recommendation would be that they would meet 3 times a year so that would be 6 times in the biennium and that language would need to be put in there that the subcommittees, if they want reimbursement, would meet at the at same time so that if they traveled here and had a hotel you would pay for that and the expenses at the same time

which I think reduces it between 30-40,000 dollars. I would then put a sunset clause on the committee.

**Rep. David Rust:** Isn't this the section that had 1 million dollars in it?

**Chairman RaeAnn Kelsch:** This is for the advisory committee that is to make the recommendations for professional development. There were two separate development tools that were talked about and one was the North Dakota Mile and the other was the profession development package and it was 878 because they had reduced the 122,000 dollars out of there.

**Rep. David Rust:** Keeping the 122 and asking for an additional 878?

**Chairman RaeAnn Kelsch:** It was keeping the 122 but I know that when the senate went to the language that said expenses that the line item should have been reduced. Originally 1 million dollars was asked for and that was in that optional funding and the 122 was lumped in there for the advisory committee and that is all that was put in by the commission was the 122. I also think what should be on there is a report of their findings to the interim education committee. If we do need to have some kind of professional development piece of legislation introduced I think that is probably a better tool for it. So I think you need a report as well.

**Rep. Brenda Heller:** Can I go back a section and ask another question to Jerry?

**Chairman RaeAnn Kelsch:** Yes.

**Rep. Brenda Heller:** What is the increased appropriation that is associated with the grants? Are the REAs paid out of grants?

**Jerry Coleman - DPI:** The state money for REAs is triggered through a factor in the funding formula. There is a factor that generates some money based on students and that goes directly to school districts and then there are some base grants that go out. Currently this year I think it is 50,000 dollars a biennium to allow for each of the eight and then the commission asked that they up that but kind of change that to fund a fulltime coordinator. The state would fund up to 70% of that. That would ensure each REA had pretty close to fulltime help out there to staff the REAs and the rest is made up by local contributions.

**Rep. Brenda Heller:** Is that only FTE per REA or is it one FTE for the whole state and do you have a dollar amount associated with the increased duties?

**Chairman RaeAnn Kelsch:** There wouldn't be a dollar amount for increased duties. I should back up and tell you that we, the legislators on the commission, said if you want to come in and ask for more money from the state then we need to know what you are offering and you had better come up with some core offerings. Rep. David Rust and I can tell you that the first round, when we saw what they were proposing, was ridiculous. We asked them then to come back and narrow it down. The REAs came in with these recommendations for us that they said could be their core offerings and that they would have no problem being able to come up with these core offerings in each one of the REAs.

The money going out this time is a request to help fund their fulltime director so that they can coordinate all of the programs that are currently being run out of the REAs.

**Rep. David Rust:** Do you have a copy of the commission?

**Chairman RaeAnn Kelsch:** I don't.

**Rep. David Rust:** I believe it is in there. There are few things I recall. First of all it is not a 1.0 FTE. I think it is a 12 month person which means that person wouldn't necessarily have to be fulltime but he/she would be on the job for 12 months. Right now one of the problems that is happening is you get some REAs that don't have anybody around and some that do. I think we decided to go to a 12 month person and not necessarily a 1.0 FTE. There is a base amount for each of the people that are hired.

**Chairman RaeAnn Kelsch:** We said each REA shall facilitate expansion and enrichment of the curriculum and its member districts through technological or other innovative methods. Each REA may provide within the limits of its resources and any additional educational and administrative services in its member districts. That is the end of the 5 and then saying that they can provide whatever. The commission recommends that the 25,000 dollars per year and base support for each REA be replaced with funding for 70% of the cost of the coordinator position up to a maximum cost share of 50,000 dollars per REA per year funded from the state aid line item. Each coordinator, whether fulltime or part-time, must be under contract for a 12 month period.

**Rep. David Rust:** Just for the record I didn't like their first one either.

**Rep. Brenda Heller:** Is that an increase of 50,000 dollars per REA? Can you tell me the increase for grants for the REAs?

**Jerry Coleman - DPI:** It is going from 400,000 for the biennium to 800,000 and that language is in SB 2013 section 7 for the REA grants.

**Chairman RaeAnn Kelsch:** Which is a line item in the foundation aid funding formula.

**Rep. Mark Sanford:** I think I like your suggestion to sunset the advisory committee. When I looked at the membership on that, my definition is that it doesn't qualify as a committee. It is a congregation. There are a lot of people there. I want to bring that back to the REAs because we have a profession development committee and you have an REA that has a charge with doing professional development. One of the goals is to develop lead teachers or professional developers in each district or school site. I'm struggling with the coordination with all of this. Maybe it gets worked out and that is where the sunset fits in.

**Chairman RaeAnn Kelsch:** I think what we felt was it probably deserved another biennium to come up with recommendations and I see those recommendations being implemented by the REAs and distributed out to the school districts. I think by putting using a sunset it puts some urgency on them coming up with a recommended plan. If we need to have that plan and the report done early enough so we can have it before the interim education

committee so we could potentially put together a bill draft, do we usually say by July 1, or do we ever put a data in there saying when we want a report by?

**Anita Thomas – Legislative Council:** We can and those tend to say flexible depending on schedule of interim committee.

**Chairman RaeAnn Kelsch:** That is probably not a bad idea to add that in so we can make sure if we would want to look at a bill draft we would have time. It would give the committee the two times for looking at a bill draft. Typically those interim committees don't meet every month so you are maybe better off looking at July 1, thinking you could potentially meet in July or August and then meet again later to finalize it. That still gives you enough time for you to draft your report, right?

**Anita Thomas – Legislative Council:** Yes. There is a number of ways that we can monitor what is going on in a particular committee.

**Rep. Karen Rohr:** I agree with Rep. Mark Sanford that there seems to be some duplication and not very well coordinated. You have two groups working on one thing. If you are going to sunset this are you going to wait the full two years or one year?

**Chairman RaeAnn Kelsch:** I think you have to give them the time during the biennium because we don't come back in. It sunsets December 31, 2012. If the next legislative session says the work was extremely valuable and wants to see them continue then that is the prerogative of that legislative session. I think it does give them a sense of urgency. What the REAs are charged with doing is they are coordinators and facilitators. They aren't necessarily the developers. They can develop professional development activities but I think what the thought process was behind this was if this committee can come up with a strong professional development program that can be utilized all across the state instead of what we have right now. I don't want to pick on anyone but let's say the NE has a mediocre program, the central part of the state they have a program that is bar none the best program ever, and then the West is mediocre, that is not the way it should be in the state. If we believe in professional development then we should have an outstanding professional development for everyone and not just for 1 or 2 schools.

**Rep. Brenda Heller:** Over in appropriations I thought they were saying that there wasn't an appropriation for this committee up until now so how are they funded?

**Chairman RaeAnn Kelsch:** It was funded during the last biennium. I don't remember what the bill number was but there was money and I believe it might have been in the Governor's budget.

**Rep. Brenda Heller:** Could anybody show us that?

**Chairman RaeAnn Kelsch:** We can get that. We were told that it was discretionary money out of the Governor's budget but it doesn't look like that is right so we will find it.

**Rep. Bob Hunsakor:** In section 5 it talks about reimbursement for expenses. Is it your intent that they are paid for their time also?

**Chairman RaeAnn Kelsch:** The reason we didn't feel per diem was necessary is because if you look at the membership on that committee they are all employed in this field so they receive compensation for their jobs. Per diem is not necessarily something that is necessary for them. It is different if you have a lot of private citizens coming in to serve on boards but when you have people from associations or people from agency heads or that sort of thing, per diem becomes less necessary due to the fact that they are being paid for being there anyway.

**Rep. Bob Hunskor:** Thank you.

**Chairman RaeAnn Kelsch:** Section 6 is the teacher support program. Last session we had begun that ESPB will administer the mentoring program and the language then permits school districts and other participating entities to serve if all the other first year teacher needs are met. It could be one of those school districts that doesn't have any first year teachers but they may have third, fourth, or fifth that they would be able to provide mentoring services to. It could also be that they only have 1 or 2 first year teachers depending on what kind of a school district you are at.

**Rep. Joe Heilman:** Are there costs involved with that part of it in the budget?

**Jerry Coleman – DPI:** There is funding for it and I think it is 2.1 million. It is the same amount as it was last biennium. I am not sure where it is but I will find it.

**Rep. Joe Heilman:** Could you give me an idea of how it is set up? Are these specific mentors or do they identify a mentor within a school? When I think of a mentor it is somebody in my field and I would go to them with questions. I don't know if it is a paid position. I'm wondering why it needs 2.1 million dollars.

**Doug Johnson – NDCEL:** It is a fairly intensive program that they go through and does require that they train the mentor teachers that are going to be working with the students so it does require those teachers to come in for training. These would be the professional teachers that have been in the field for a long time and then they take on a mentee student that they are going to be working with over the course of the year. There are several times they get together so it is fairly intensive program.

**Rep. Karen Rohr:** Did you have data that supported putting this teacher program in place?

**Doug Johnson – NDCEL:** Yes. The ESPB originally had received the grant dollars from federal grants to put that in place. That is how it got started and one of the things we saw that was very important to me was continued in HB 1400 was adding the dollars to pay for it. It was funded in HB 1400 for this last biennium and prior to that it was funded through a federal grant. It was the request to continue the program because they have had significant results from that.

**Chairman RaeAnn Kelsch:** We did fund it in HB 1400.

**Rep. Karen Rohr:** Was the concern on behalf of the new teachers coming in for these positions or was it from the teachers and related to the outcome of the students? Is that the way it got started?

**Doug Johnson – NDCEL:** The concern was from the people in the field that were seeing a considerable dropout rate of teachers that were new to the profession. Any of us that have been first year teachers know what it was like.

**Rep. Karen Rohr:** How long is this mentorship? How many people do you expect to have in the program?

**Doug Johnson – NDCEL:** I don't know the numbers specifically but I think they are looking at about a total of 200 teachers each year that will be going through that process.

**Chairman RaeAnn Kelsch:** This looks like it is new language; however, this was session law language last session. It was in HB 1400 as session law and we felt as though it needed to be codified.

**Doug Johnson – NDCEL:** This is one that ESPB has put together. They developed that program with they originally submitted for the grant. It is a continuation of that process. They looked at research and took a lot of time in putting that program together. It is a comprehensive program that is well researched.

**Chairman RaeAnn Kelsch:** Rep. Karen Rohr that is why it was decided to leave it with ESPB instead of reinventing the wheel. They had already done it and been successful. We are hearing great successes out in the field.

**Rep. Karen Rohr:** Do you evaluate these new people that have mentors to see if their needs are still being met and the program is still successful?

**Doug Johnson – NDCEL:** They do intensive evaluations for that process. I think it is ongoing. They have extensive data that they could give to you upon request.

**Rep. Mike Schatz:** When you are a teacher you are going to be evaluated by a principal. Are the mentors involved in that evaluation with the principal? Is there any kind of collaborative effort there?

**Doug Johnson – NDCEL:** I don't know that.

**Rep. Mike Schatz:** If administrators are evaluating first year teachers, wouldn't it be better if the administrators were more or less the mentors and somebody could do some demonstrating to a first year teacher rather than having an outside mentor that is not part of the evaluation process?

**Doug Johnson – NDCEL:** I think what we have to look at is content area. What they are working with is not only is the instructional techniques that are needed but also content area as well. I think it is very important that is goes hand in hand with the teachers.



**Rep. Mike Schatz:** The evaluation is an official function of the school and of the principal. Even though it might be a content area he is going to judge that teacher's ability to teach that content, correct?

**Doug Johnson – NDCEL:** Yes.

**Rep. Brenda Heller:** On page 8, line 6, has the ESPB board always provided supportive services to those areas listed, are those new to them, or is that how it has always been since they started this?

**Chairman RaeAnn Kelsch:** We are on section 8, page 8, and that would be an expansion of the mentoring program within the confines of the budget expenditures. It could be offered to the special education units, career and tech centers, REAs, and the BIE schools.

**Rep. Brenda Heller:** So that is my point. I believe when Janet Welk was in here before she said she only had an office staff of so many with so much space so I'm wondering if we are expanding this if her office will be able to handle it without additional help?

**Doug Johnson – NDCEL:** The reason those were put in section 8 was that in a previous law those particular units were allowed to participate in the programs. This language just allows them to participate and it is not looking at staff. It is just looking at those particular units.

**Chairman RaeAnn Kelsch:** Section 7 permits ESPBs to provide the compensation. That is where the appropriation goes through and sets up the stipends that the mentors can receive and it limits the amount of money they can spend for administrative purposes.

**Rep. Karen Rohr:** Just to clarify, this 5% would be 5% of the 2.1 million?

**Chairman RaeAnn Kelsch:** Yes. That is what Janet was able to keep for administrative costs. I think that Rep. Joe Heilman has some amendments on section 9.

**Rep. Joe Heilman:** There are a few issues. One is that the kindergarten is required and the age changes. I do have two amendments for the age change part of it. If both amendments were adopted it would revert it back to the 7 and 16 the way it is now. It would also leave in that kindergarten is the required part. The other option would be if we are not happy with these changes to just eliminate section 9 and leave it as current law. I have those two amendments if we want to do something with it. I will add that the most opposition we have received on this is from home schoolers. In code when we look here at the exceptions to the compulsory attendance section, it says that if the child would receive a home education they are exempt from the age limitations in code but they would have to file a statement of intent at those age limits.

**Chairman RaeAnn Kelsch:** When I asked Anita about that she said that they do have to meet compulsory age requirements.

**Anita Thomas – Legislative Council:** The way the compulsory attendance law is written, the child has to be in a public school at an age certain. There are several built in exceptions

to that and that is if you can demonstrate that the child is in attendance at a nonpublic school, the child has completed high school, the child is necessary to the support of the family, or that the child is receiving home education. It does not say that the child will receive home education at a time convenient to the parent.

**Chairman RaeAnn Kelsch:** So they would have to file that statement of intent when the child is at age 6 if they are home schooling that child and that is where the resistance comes in because they don't want to file it at that age. I can tell you that the home school network is where you have been receiving the emails from. We haven't been hearing from the general public on this issue but I think it is important for us to take all three issues separately and have discussion about them. Whether you actually make motions at this point or not, it probably doesn't matter. We can give Anita an indication of which way we are going either by a voice vote or committee sentiment and have the amendments drafted.

**Rep. David Rust:** I am one of those that would like to see an amendment to strike section 9 for a couple of reasons. Number 1 is requiring kindergarten. First of all what we have heard is that is about 86 kids. That is probably a very small percentage of them so I'm not sure it is necessary. In addition I believe at that age level it should still be a parent decision and that is the same reason I have for starting at age 7. I think parents are in the best position to decide. I don't think I am in favor of going up to 17 either. As a professional educator it is kind of sad to think that I would advocate against keeping kids in school until 17 but I am also a realist. While every school desires that every kid that walks in will walk out with a degree that means something, the reality for some kids is that it just doesn't happen. Before they get to the age of 16, for some kids it is clear to them that they don't want to be there, it is clear to their parents, and it is clear to the school. To keep them probably does very little good. I'm thinking of kids that have dropped out of our school at age 16 and immediately went to get a GED. I believe you cannot enter the GED program unless you are beyond the age of compulsory attendance. That means you are actually delaying something for another year as well as far as the child getting a GED.

**Chairman RaeAnn Kelsch:** Here is the question I am going to ask you and there is a reason for this and I think the more seasoned members will understand and the newer members will catch on. So of the three, if you have mandatory kindergarten, age 6, and age 17, which is the least egregious? The only reason I am asking that is because this amendment belongs to the Chairman of the Senate Education Committee. Are any of them less egregious?

**Rep. John Wall:** I could live with the kindergarten age because it doesn't affect many.

**Chairman RaeAnn Kelsch:** The mandatory kindergarten or putting the age at age 6?

**Rep. John Wall:** The age 6. With the age 17, as a retired teacher I taught and spent my entire career in schools in which we did back flips to keep kids in school. At 16 many wanted to and even tried to get kicked out and we had complaints constantly from some parents, and especially students, which would come and ask why this student is allowed to be in school after what they did? We bent the rules because as adults we knew what the future was for that student dropping out at 16. Live probably wasn't going to be good. I remember a college professor said once that there is nothing wrong with dropping out if you have something to drop into. I think that is probably accurate but the high school students

that dropped out had nothing to drop into. We fought hard to keep kids without having a mandatory compulsory age at 17. We fought hard to keep them one more day if we could because then if we could keep them another day we could maybe keep them another week and so on. I think keeping them or forcing them to be there until 17 is not a good plan. I think in theory it is great but in reality I don't think it is good.

**Rep. Mike Schatz:** Is the exceptional student or genius prevented from going on to college at say age 15 with this

**Chairman RaeAnn Kelsch:** It does not prevent that.

**Rep. Karen Rohr:** The data is out there about forcing kids to stay in school or starting them too early. I do agree with the parental rights when it comes to starting children. The other thing is I read the information you gave me on the compulsory school attendance and the number one reason for kids dropping out of school is because the classes were not interesting. I think we have a great alternative with the adult education program that these kids can transition into and get their GED.

**Chairman RaeAnn Kelsch:** If it is an issue in conference committee is this just not one of those things that the committee will give on at all? That is the question I have.

**Rep. David Rust:** I would give you another example of what kids have done in our area and I think in some other parts of the state as well. Minot has a pretty good Job Corp center. Like Rep. John Wall said, we try everything possible to keep kids in school. When it becomes apparent to us also that this isn't particularly working then we start some counseling services. There are some other options for kids to do at age 16. Granted not all of them are willing to do that but there are options. With that I move that we strike section 9.

**Rep. Karen Rohr:** Second

**Chairman RaeAnn Kelsch:** Discussion? Voice vote.

*Voice vote:* motion carries.

**Chairman RaeAnn Kelsch:** I want to take up section 10. On line 3 it says 22 units of high school work set forth in section 8 of this act but that is wrong.

**Anita Thomas – Legislative Council:** The cross reference will get taken care of.

**Chairman RaeAnn Kelsch:** I think once it was hog housed the section numbers have changed. This is the clarification that says school districts can require more than 22 units for graduation. This is clarification language due to the fact that we put the 22 units in for the scholarship requirements so that is clarification that a school dist can require more than the 22. Section 11 restates what the minimum requirements are for high school graduation.

**Rep. Brenda Heller:** Why is that restated? What is different? What did they change?

**Chairman RaeAnn Kelsch:** Nothing has changed. It just restates what the minimum requirements are.

**Rep. Brenda Heller:** Why would they have to do that if it is not new wording? Why can't they just use what is already there?

**Anita Thomas – Legislative Council:** It was very difficult to clearly state that we wanted the children to take the 22 units and whatever units the school district would add to that. .

**Chairman RaeAnn Kelsch:** In section 10 it gets rid of all of the language following and it says the student must have successfully completed 22 units of high school coursework set forth and any additional units of high school coursework. That becomes just the new section of law. We wanted to make sure we put that before the minimum requirements so it was clear. It is just moving it from one section of code to the other.

**Rep. Corey Mock:** In section 11 on the bottom of page 10 where it has 3 units of foreign languages, Native American languages, fine arts, or career and technical education courses, in section 12 it had American Sign Language added and in section 13 American sign language. Was this an oversight?

**Chairman RaeAnn Kelsch:** No. We went through this during the interim as well and this is a little bit more complicated.

**Anita Thomas – Legislative Council:** We were asked to allow students to take American Sign Language as an alternative but they did not want to require every school district to offer it. It is a viable for the student but it is not a mandate from the school district.

**Chairman RaeAnn Kelsch:** It becomes something that can be an offering as a foreign language and a student can take it and the senate actually amended in the sign language on the CTE scholarship. We only have it on the academic scholarship and they added it in on the CTE scholarship saying if it is good for the academic it should be good for the CTE scholarship as well.

**Rep. Dennis Johnson:** Did you want my findings?

**Chairman RaeAnn Kelsch:** Yes.

**Rep. Dennis Johnson:** I would also like to add on this mentoring that my wife is mentoring in a small school. I think they are both evaluated by the high school principal and two years later the teacher that my wife mentored expressed her appreciation. Devils Lake is funding their program up there with title 1 air money stimulus dollars. It are about 35 schools funding this program right now and they run out so this money is going to be gone for this pre-K.

**Rep. John Wall:** In dealing with section 9 I wonder how many students have access to an alternative school in North Dakota.

**Chairman RaeAnn Kelsch:** Bob if you could give us a percentage of the number of students that have access to an alternative high school in their districts or that would be within a reasonable driving distance to access those alternative high schools and then where those alternative high schools are located that would be perfect. We will close on SB 2150.

# 2011 HOUSE STANDING COMMITTEE MINUTES

House Education Committee  
Pioneer Room, State Capitol

SB 2150  
03/22/11  
15854

Conference Committee

Committee Clerk Signature



## MINUTES:

**Chairman RaeAnn Kelsch:** We will call the committee to order and we are going to continue to walk through SB 2150.

**Rep. Mike Schatz:** I would like to back up to 11. My point was to create an amendment to reinstate world history. The paperwork isn't here but it is coming. I know you wanted to move along section through section.

**Chairman RaeAnn Kelsch:** If we can just wait and kind of walk through the bill first and then I have all kinds of amendments to address. We will offer all the amendments at one time if that is alright. You are giving us fair notice that it is your intent?

**Rep. Mike Schatz:** Correct.

**Chairman RaeAnn Kelsch:** As we talked about yesterday, in section 12 the senate basically clarified the requirements for the scholarship in that the 3.0 GPA can be calculated using all the high school units in which the student was enrolled or only the statutorily required units. Excuse me that was in section 10. In section 11 there is no change. That is just restating what was in section 10 and moving it to section 11 so that the 22 credits or more stands in a section all by itself. Section 12 parallels the requirements to receive a CTE scholarship and organizes them so that they do parallel the graduation requirements and then it replaces the requirements on page 12, line 18, with the way the bill was originally introduced. I think the way we saw it and the way it became law during the last session is that it would be a B average to now where it states that it is obtaining a 3.0 on a 4.0 grading scale.

**Rep. Corey Mock:** My understanding is there were still a couple schools that weren't grading on a 4.0 scale.

**Chairman RaeAnn Kelsch:** Are there schools that don't grade on a 4.0? There are some that grade on a higher than a 4.0 scale but for A, B, and C don't they just use the 4.0 scale?

**Connie Mittleider – DPI:** We are not dictating to the schools that they need to establish a certain grading average but what we are saying is if the school does use weighted grading for the 5.0 for AP or honors, we are saying they have to recalculate using a 4.0 non-

weighted scale. That is just for equity. It is unfair to have some students coming in on a 5.0 weighted system and others on a 4.0 non-weighted system.

**Chairman RaeAnn Kelsch:** Section 13 beginning on page 12 is the North Dakota academic scholarship.

**Rep. Karen Rohr:** On section 12 wasn't there some discussion on the Workkeys that it inhibited some of the students from taking these things? Was there other ways to assess writing skills?

**Chairman RaeAnn Kelsch:** That is in the assessment of the Workkeys and we will get to that. Section 13 states the requirements to receive the academic scholarship and organizes them to parallel the graduation requirements and replaces the requirement for a B average to obtaining a 3.0 average and allows for a half credit of dual credit courses to qualify for acceptable requirement credits for the scholarship.

**Vice Chair Lisa Meier:** For the refund amount and when they receive the amounts, I had in my notes to maybe change it back to the way the house had it.

**Chairman RaeAnn Kelsch:** We are not there yet. We are still on section 13 and these are the required courses. That would be now section 14. Clearly the house didn't care for the way the senate amended the scholarship portion and I think we liked the way we had set up the scholarship better. The way the house had amended it was you had that second chance. The amendment could read that your first 2 semesters you are a fulltime student as defined by the North Dakota University Systems and then you receive the scholarship for up to 8 semesters. Some seem to like the idea of having those 15 credit hours for semesters 3 through 8. That might not a bad idea to encourage that graduation more quickly. You would have that one time forgiveness window like the house passed it over. Instead of saying subsequent semester you can say the first 2 semesters. You could say that you fund the scholarship for 8 semesters which would be the 1,500 dollars up to 6,000. The first 2 semesters the student would need to be a fulltime student in order to meet the requirements and this would trigger in the second chance amendment. In semesters 3 through 8 they would need to be enrolled in 15 credit hours and then meet the GPA requirements.

**Rep. Brenda Heller:** I agree with everything you said but I don't agree with changing it to 15 credit hours. I think that depending on what they are going to college for, do we want the kids to be encouraged and be able to maintain this or do we want to set it up for failure? I think we should leave that as a fulltime student status.

**Rep. Joe Heilman:** The reason the 15 credits was considered was to encourage a more rigorous schedule so they could perhaps graduate 1 semester earlier. If the fulltime is 12 it will take a lot longer. Most kids if they are pursuing their degree they are going to be taking more than 15 or at least 15 so they can graduate in a decent time frame. I don't know if I support it for the scholarship but it was an attempt to encourage them to take more credits to get them out of the school sooner.

**Rep. Corey Mock:** If the student were to only take 12 credits each semester and complete those each semester, could they graduate in 4 years?

**Chairman RaeAnn Kelsch:** I don't think so because I don't think you can graduate with that few credit hours in four years. If I am correct you have to have over 100 credits pretty much even for a general studies degree.

**Rep. Corey Mock:** I think you are right. I think some degrees might vary.

**Chairman RaeAnn Kelsch:** Some degrees do have some more requirements and additional credit hours but I don't think you can graduate in a degree with less than 100 credit hours.

**Rep. Corey Mock:** I really want to say 120 but I am not sure.

**Chairman RaeAnn Kelsch:** That is what I am thinking.

**Rep. Corey Mock:** The reason I say that is if we know what the benchmark is to complete your program of study within 4 years that might give us some insight on whether or not the 15 is an acceptable standard or not.

**Rep. John Wall:** I agree with Rep. Brenda Heller on the 12 credit hours. We don't mandate it so if the student wants to take 15 or 18 credits they can. They are jeopardizing only themselves by doing it. If they do it the first semester and don't do well then they can go back to 12 credit hours to get off the probationary period.

**Rep. Phillip Mueller:** What I understand about some college systems is that they are charging per semester hour. That seems to me to be Rep. Brenda Heller's position of the full load being 12. If we are going to go to 15 and some institutions are going to be charging by the semester hour it is going to run out on them before they are done anyway in terms of having scholarship money left.

**Chairman RaeAnn Kelsch:** They can only receive the 1,500 dollars a year up to 6,000 dollars so regardless of what it is they get the 750 per semester.

**Rep. Corey Mock:** Are there any institutions that will continue per credit beyond 12 in North Dakota? Do they all consider fulltime being from 12 to 20 or something like that?

**Chairman RaeAnn Kelsch:** Is it the consensus then that we will somewhat go back to the language we had proposed? I say somewhat because it may be better to look at it in terms of semesters or maybe we thought the language was clear enough that we don't need to make that change.

**Rep. Brenda Heller:** What bill number was that?

**Chairman RaeAnn Kelsch:** HB 1106.



**Rep. Bob Hunskor:** Is definition of a fulltime student 12 credit hours for every college or does it vary?

**Chairman RaeAnn Kelsch:** When the university system was here they told us to have it as fulltime student as defined by the North Dakota University Systems. Rather than putting it into statute they thought it was better verbiage to use. Section 15 is the scholarship fund. What the commission was trying to do was find a reliable source for the funding to continue the scholarship program and that recommendation was something that came out of the youth commission so that young people in North Dakota would feel they had a commitment from the legislature so that if there were resources the scholarship program would continue. This section most likely will change because I believe that the land and minerals trust fund will be going away. We won't be dealing with that one at this moment.

**Rep. Joe Heilman:** Do you recall any discussions about the use of interest earned from the foundation aid stabilization fund?

**Chairman RaeAnn Kelsch:** What the youth council didn't realize was that it takes a constitutional change so it wasn't actually a really a valid appropriation or source. Section 16 is the testing and basically this is an update in language that the tests have to be administered in 4, 5, 6, 7, 8, and 11. This was updated language that we had put in when No Child Left Behind began. It has date references and it no longer needs those date references in there. Section 17 is the career interest inventory and school districts must provide either an individual meeting or 9 week course to discuss the results of the career interest survey as it relates to students' educational plan. The students can also request a consultation in their high school education plan at least once a year. This is based off what is being done in West Fargo. They do an excellent job with their guidance counselors and sitting down with students in those grades and looking at their pre-ACT tests and other tests. They go over them with the students so they know what careers their strong suits would align with.

**Rep. Karen Rohr:** The one thing I have concern with is it doesn't really identify the qualified person doing this with the students.

**Chairman RaeAnn Kelsch:** It will either be a career advisor or guidance counselor.

**Rep. Brenda Heller:** If they opted for the option of a 9 week course would that something they would have to attend on a regular basis? I don't know how they could fit in the 9 week course in with the busy schedule they already have.

**Chairman RaeAnn Kelsch:** This was to bring into code that they are currently offering that. A student could take that. It was to codify the options available to students. Section 18 is the section that Rep. Karen Rohr was talking about and I see a positional change. In section 18 the senate added in the writing assessment for the Workkeys and it would be my recommendation to delete that. The commission had a great deal of discussion as to whether or not we should assess the writing on Workkeys and felt as though it defeated the purpose of the students taking the Workkeys and what they Workkeys were intended for. At this point it would be my recommendation that we delete the writing portion or the Workkeys.

**Rep. Phillip Mueller:** But leave the writing portion of the ACT in?

**Chairman RaeAnn Kelsch:** Yes.

**Rep. David Rust:** Do you want to take care of that one right away?

**Chairman RaeAnn Kelsch:** I think we can wait because I think we will take one amendment at a time. Section 20 has the weighted ADM factors. Section 19 is a change. Currently they have that school districts may establish kindergarten. This is where you mandate kindergarten and they have to have at least half of a day.

**Rep. David Rust:** Do you know if there are any schools that don't have a kindergarten?

**Chairman RaeAnn Kelsch:** You have to make a kindergarten program available but you don't have to establish one so if a parent requests a kindergarten for their student, you either have to provide that program as current law is written. As it states in number 2 the board shall either provide at least a half day kindergarten program for the student or pay the tuition. Now what this does is establishes that they have to have a half day kindergarten program.

**Rep. Phillip Mueller:** I think that was discussed and Sen. Flakoll said we have about 80 kids in the state that aren't involved in a kindergarten program. That isn't very many. I'm sure most of the parents are aware that they can request it and then it has to happen which is part of the law from times gone by. I guess I am not sure why would have "shall" in there.

**Rep. David Rust:** I don't think this has anything to do with mandating kindergarten for every student. This deals with the school district establishing a kindergarten program. What you are saying is that the board of a school district shall establish a free public kindergarten. I find a conflict between 1 and 2. Number 1 says they shall establish it and number 2 says that they shall either provide a half day or pay the tuition. Well if you are paying tuition then you didn't establish one.

**Anita Thomas – Legislative Council:** I would suggest that this section is not well worded.

**Rep. David Rust:** There definitely is a conflict there.

**Chairman RaeAnn Kelsch:** What is the committee thinking? We either have to clean it up or basically you are right. It doesn't mandate kindergarten it just mandates that they have to have a half day program.

**Rep. David Rust:** Could you not just eliminate item 1?

**Chairman RaeAnn Kelsch:** I think that probably would work. Anita will get that for us.

**Rep. Brenda Heller:** In this bill summary that was handed out while we had committee discussion on this bill it says that each school district is being mandated to provide or pay for kindergarten.

**Chairman RaeAnn Kelsch:** That is correct and that is what subsection 2 does. It isn't mandating that you attend; it is mandating that you have the program. That is the way the law has basically been written. If you have a parent that comes in and asks for kindergarten and you don't provide the service, you have to pay the tuition and get the child to another kindergarten program.

**Rep. Karen Rohr:** So does the parent have the choice then?

**Chairman RaeAnn Kelsch:** Does the parent have a choice of what? Where they want to take their child?

**Rep. Karen Rohr:** Right. If they don't want to send them to the public school and want to send them to a private school would they still pay the tuition even though they might have an opening in the public classroom?

**Chairman RaeAnn Kelsch:** If they are going to a private that is the choice the parent is making but the money doesn't follow them.

**Rep. Phillip Mueller:** I think you made a pretty good point. I recall the legislation when we did that. What is section 2 doing that isn't already in law?

**Chairman RaeAnn Kelsch:** It eliminates up to the comma.

**Rep. Phillip Mueller:** They are kind of one in the same.

**Rep. David Rust:** The way I would read number 2 is you don't have to have a kindergarten program under current law until a parent comes up to you and submits a written request for it. All this changes is that they shall establish or pay. You don't need the parent request. You don't have to have someone coming to you in August with the request for a kindergarten. It really says you have to establish that now or pay the tuition.

**Chairman RaeAnn Kelsch:** I can see where this is causing issues in the NW part of the state. Potentially there could be parents moving in not knowing that they have to request for kindergarten programs. I am not for sure on this but potentially that could happen.

**Rep. David Rust:** The NW has been ahead of the game for so long it has never really been an issue.

**Anita Thomas – Legislative Council:** This section was put in there as an attempt to mandate kindergarten. If you do not wish to have the kindergarten mandated we can remove this section entirely and current law will stay as current law.

**Chairman RaeAnn Kelsch:** That is right. If you are not mandating kindergarten then current law could stay the way that it is.

**Rep. John Wall:** If number 2 stays in and we delete number 1, in line 1 on page 19 we would then have to strike request by parent then?

**Chairman RaeAnn Kelsch:** What Rep. David Rust was saying is true. If you are striking lines 2 and 3 and you are leaving the language as it is written in the bill for lines 4 through 8, you would just be saying that the board shall provide the half day of kindergarten or pay the tuition. The way the law is currently written is if a parent comes and requests the kindergarten program then they have to either establish the kindergarten program or they must pay the tuition. If you lift the language then in line 1 it says upon its own motion, the board of a school district may establish a free public kindergarten if the board receives a written request to provide kindergarten from the parent of a student who will be enrolled in the kindergarten. The board shall either provide at least a half day kindergarten program for the student or pay the tuition. If you strike that section then it reverts back to the way the current law is written.

**Rep. Mike Schatz:** I was wondering about travel or bussing under these circumstances. I understand the school picking up the tuition but what about getting the child to and from the school?

**Chairman RaeAnn Kelsch:** Is anyone doing this?

**Jerry Coleman - DPI:** If school districts are not providing grade level services they are required to pay tuition and transportation to send their kids to a school district of their choice. That is how it works for the mandatory grades.

**Rep. David Rust:** If you go back to the "may" that means you don't have to provide kindergarten which means you wouldn't have to provide that service, right?

**Chairman RaeAnn Kelsch:** No they still have to provide it because the way the law is currently written it does say they shall either provide. But they might not have to provide transportation if they chose not to.

**Jerry Coleman - DPI:** That might be a finer point. I am not sure how that would get translated.

**Chairman RaeAnn Kelsch:** That would be my interpretation of it because it is not a mandated grade.

**Rep. David Rust:** If you eliminate 1 and you start with the word "shall" that means what you are saying to each public school district is that you must provide kindergarten. I think with that sentence of "shall provide" you would then be obligated to pay the transportation.

**Chairman RaeAnn Kelsch:** I think you are right. If you leave section 2 in they would have to provide the transportation.

**Anita Thomas – Legislative Council:** Kindergarten is not a required grade and transportation is not constitutionally required so the issue is a bit muddy.

**Rep. Mark Sanford:** I heard that there are about 80 children that are not in kindergarten.

**Chairman RaeAnn Kelsch:** We were told there are 86 children that are not enrolled in kindergarten as of January 1.

**Rep. Mark Sanford:** That means that 99% of them do have kindergarten knowledge. So we pay for it, we must recognize it, we must value it, so if we don't use the language of requiring a kindergarten in your district, to me at the very least you ought to pick up all the associated expenses they would have.

**Rep. Brenda Heller:** How would that work if a parent decided to send their child for just half a day? How would the transportation work if I live 20 miles out? Is that bus going to run 1 kindergarten kid home at noon?

**Rep. Mark Sanford:** I was imagining that the district wouldn't have to provide a buss but they would pay the expense of the parent getting the child there and back.

**Chairman RaeAnn Kelsch:** We kind of already have that in the transportation funding for a parent's reimbursement. We need a clear direction on this for Anita. We have heard removing section 1 and leaving in section 2 with the updated language and we have heard lifting the language and keeping it the way it currently is.

**Vice Chair Lisa Meier:** I think I would keep the language the way it was. I think it best fits especially if we are not mandating kindergarten.

**Rep. David Rust:** It doesn't make a difference to me. I think either one is a way to do it. I wouldn't care if we left it as it is in current law. I think we are talking about something that doesn't exist. I would be surprised if there are 1 or 2 schools in North Dakota that doesn't have a kindergarten program.

**Chairman RaeAnn Kelsch:** Anita I think we will have you just lift the language and if it becomes an issue in conference committee I think we could live with the way it is written in 2 but we probably don't need any of the other language. We will just lift it for now. Section 20 becomes section 21. It becomes the weighting factor section. If you read the effective dates it changes for each year we come into session unless we leave them alone but typically they are only for a certain amount of time. Those were the trigger effective dates from the last legislative session.

**Anita Thomas – Legislative Council:** Yes.

**Rep. David Rust:** Where are the "at risk" students included in this?

**Chairman RaeAnn Kelsch:** The "at risk" students are on page 22, lines 13 through 16 and that is current law.

**Rep. David Rust:** I was looking for the words and obviously those words "at risk" are not in there.

**Chairman RaeAnn Kelsch:** It has to do with the free and reduced lunch. In section 21 the senate added in the alternative education factor which is a .20 for students that are enrolled in an alternative middle school.

**Rep. Brenda Heller:** So what is the cost associated with doing that? Per year what is the cost of adding that?

**Chairman RaeAnn Kelsch:** For the biennium it is roughly 461,500 dollars.

**Rep. David Rust:** Is that just to add that .20 for the alternative education program for middle schools?

**Chairman RaeAnn Kelsch:** Yes. The .25 is what we have for the factor of alternative high schools. It doesn't begin until 2013.

**Rep. Brenda Heller:** I'm looking at this summary and it says based on an estimate, the estimated cost is establishing a .20 weighted factor for the 2011-13 biennium and that would be 1,088,000.

**Chairman RaeAnn Kelsch:** It is my understanding that they took the principle mentorship money and put it in as part of the initial funding for the alternative middle school.

**Rep. Brenda Heller:** So they are just going to add to that principle mentoring to come up with 1,088,000? Is that what that alternative education is going to cost?

**Chairman RaeAnn Kelsch:** If that is what it says on here that that is what they are anticipating what it is going to cost then that is probably what they are anticipating but it doesn't take effect until July 1, 2013.

**Rep. David Rust:** If I look at what was prepared by legislative council, it says in section 21 beginning July 1, 2013, but when I look at the bill I don't see that. Is there something that I am missing?

**Anita Thomas – Legislative Council:** The very last page of the bill contains the effective date for that section.

**Chairman RaeAnn Kelsch:** It is on page 36, line 21.

**Rep. Brenda Heller:** To add alternative education for 15 hours a week in grades 6 through 8 per biennium would the costs be different because it is starting in 2013? Here it says for the 2011-2013 biennium. Would it be a million dollars to start that?

**Chairman RaeAnn Kelsch:** I couldn't tell you. I think that the bill that was introduced on the senate side had approximately that fiscal effect so that is where we are getting this information from. Our fiscal staff can double check it.

**Anita Thomas – Legislative Council:** We can have our fiscal staff check on that.

**Chairman RaeAnn Kelsch:** What is confusing to me is that this replaced the principle mentorship and I was told there was a dollar for dollar match for the alternative middle school.

**Jerry Coleman - DPI:** It did replace the principle mentorship but in order to get the program going in the second year of the upcoming biennium they took the 460,000 from the principle mentorship and that is in SB 2013. Because we don't have any numbers to base this on we put a note on the original bill with about 1 million dollars and that is where that came from. That was just looking at the cost of our current high school alternative program and that is about what it costs us. That is where that number came from because they said it would cost about the same as what we are spending on the alternative high schools. Then what they did was put this delayed factor in for the next biennium and then they provided an amount certain as a grant program to get it started by the second year of the next biennium.

**Chairman RaeAnn Kelsch:** Where is the grant program in the bill?

**Jerry Coleman - DPI:** It is in section 8 of SB 2013.

**Chairman RaeAnn Kelsch:** So the grants themselves are in SB 2013.

**Jerry Coleman - DPI:** Yes.

**Rep. David Rust:** It is for the fulltime equivalent students in grades 6 through 8 enrolled in an alternative education program, right? It is not paid for every student in grades 6, 7, and 8. It is only for those in 6, 7, and 8 that are enrolled in an alternative education?

**Jerry Coleman - DPI:** Yes. A minimum of 15 hours a week is how they determine enrollment.

**Rep. David Rust:** There would be that many students that would amount to 461,000 dollars?

**Chairman RaeAnn Kelsch:** When the bill came in how many students were you anticipating would be participating? Do you remember what number you based it on?

**Jerry Coleman - DPI:** The number I used to base the fiscal impact was the number of kids we already have enrolled in alternative high schools and I think that number would be maybe a thousand statewide.

**Chairman RaeAnn Kelsch:** You mirrored that because you don't have any idea. How many students does Fargo have enrolled in their alternative middle school?

**Jerry Coleman - DPI:** I'm not sure they have one but when they testified they thought that wouldn't have more than 15 at a time. They thought when they rolled this out they were thinking in terms of maybe identifying 15 students for this kind of program.

**Rep. John Wall:** I have a question for at least an average of 15 hours per week. Where are the students going the rest of the time? Are the mainstreamed into the regular classes? Why 15 hours?

**Jerry Coleman - DPI:** I don't believe that they envisioned it to be pulling them out and putting them in a separate classroom and that is where they stay. It was envisioned as a school within a school kind of thing. They would be in and out of their regular setting.

**Rep. Mark Sanford:** We received a grant back in the days when there wasn't any money in North Dakota and it was for an alternative middle school. It was very successful and useful and saved a lot of kids. When the feds ran out of money we didn't have the resources to continue it. From what I recall it is quite a supportive atmosphere for students that were struggling. Once in a while there is one of these that even in that atmosphere it isn't working. We had an opportunity to pull a kid out of their team setting and bring them to a more intensive setting where they were getting tutoring and all that stuff. It wasn't a separate school or facility but it was a deviation from the regular schedule. The thing about this is these are FTEs also.

**Rep. Dennis Johnson:** In Devils Lake we seen that pop go from the alternative high school and the age of those students are getting younger and younger all the time. If we get something like this passed it would really help the situation.

**Rep. Mark Sanford:** I think in the discussions that were held earlier we were talking about looking at the numbers and the cohorts and imagining that there were dropouts. They need to have the study habits and have some support and experience some success.

**Rep. David Rust:** I'm wondering how those students differ from "at risk" students?

**Chairman RaeAnn Kelsch:** They are "at risk" students.

**Rep. David Rust:** I'm looking at the "at risk" students on page 22, line 13. With the .025 you are paying representing a percentage of a total of students, daily average membership, and 3 year average, grades 3-8 were eligible for free and reduced meals. Are we talking about these kids then?

**Chairman RaeAnn Kelsch:** It is a different factor. You may be addressing some of the same kids because they may be "at risk" kids because they are at risk of failing in school or dropping out by the time they get to age 16. That is what we were talked to about. There are national statistics that reveal that you can determine whether or not a child will drop out of school by the time they are in the 3<sup>rd</sup> grade by their study tendencies, attendance, and a lot of different factors. So if a student is struggling in junior high and need to have these additional services then that is one way to catch them while they are in the school and get them back on track.

**Rep. Karen Rohr:** On 22 it says the average rate is 3 through 8 and then on 25 it says 6 through 8. Are those for alternative education programs? Is it possible that you could have a double dipping process here?



**Chairman RaeAnn Kelsch:** I think probably not. The "at risk" students are the lowest income and most "at risk" students. You can have an "at risk" student that is based on the free and reduced lunch but you can have a student that qualifies for the alternative middle school that is not a free and reduced lunch student that is at risk but doesn't meet the definition of "at risk" as laid out by the federal law. They are at risk whether it is for emotional instability at home, a divorce situation, or it could be that the child is struggling with school. While we call them "at risk" there is a difference between the "at risk" that have the .20 factor and these students that have the .25 factor. They could be intermingled and they could be entirely separate students. When you think about "at risk" students typically you think them as being in the lower socioeconomic, low income, free and reduced lunch students, but you could have "at risk" students that come from affluent families that can still fall from through the cracks.

**Rep. Brenda Heller:** Since there is really no way to know how many kids will take part in this alternative education, how is the weighting factor going to be figured in because you won't know how many school districts will have. I don't know how they are going to figure that into the formula when they distribute their state aid without a number.

**Jerry Coleman - DPI:** I think that was the purpose of having that separate grant to get things started in that second year so you will have a program going and we will have some statistics for next time.

**Chairman RaeAnn Kelsch:** The budget that would come in for the next legislative session would reflect that money. It would already be included in the foundation aid to be distributed to the school districts.

**Jerry Coleman - DPI:** We would have that 1 year of history so we would at least have some basis for projecting forward.

**Rep. Brenda Heller:** What is happening with that senate bill right now? Is it still alive or will it be mixed in with this bill?

**Jerry Coleman - DPI:** They killed that bill and they rolled it into this grant program that ended up in SB 2013.

**Chairman RaeAnn Kelsch:** We are at section 22. This is the section on the setting of the per student payments. The proposal that I have would be to put it at 3,930 the first year of the biennium and then 3,990 the second year of the biennium. The reason you can get by with going with the lower rate the first year of the biennium is because the schools will receive the jobs money so you can feel pretty comfortable going with the 3,930. Remember this all within the formula. These don't take you outside there at all. The other issue is the way we are looking at TFFR and funding that additional 2% the second year of the biennium. This helps those school districts so they have that little bump in the funding for the second year of the biennium.

**Rep. Phillip Mueller:** The first year of the biennium you use jobs money to offset?

**Chairman RaeAnn Kelsch:** They will have the jobs money and actually when you look at the way that the bill was from last session it would start at 3,200 dollars.

**Rep. David Rust:** The commission basically increased the foundation aid by 100 dollars each year and then we had alternative teacher compensation. What the senate did was get rid of the teacher compensation thing and then roll that money into this. Now if we want to go back it would be a little difficult.

**Chairman RaeAnn Kelsch:** That is true. The senate put us into a very difficult position which they knew that they would by doing what they did. The house education committee can either be the bad guys and remove 7.5 million dollars from foundation aid or we live with it.

**Rep. Brenda Heller:** It says that the 7.5 million wasn't in the executive recommendation.

**Chairman RaeAnn Kelsch:** The 7.5 million was in the executive recommendation for alternative teacher compensation.

**Rep. Brenda Heller:** It says the increased per student rate is estimated to cost 7.5 million more than the executive recommendation.

**Chairman RaeAnn Kelsch:** That is correct. How they did that was they went to Jerry and they knew how many dollars to add in to bring it up to 7.5 million dollars and they added that to the foundation aid payment to increase it 7.5 million dollars. My numbers still include the 7.5 million dollars because I will tell you what will happen. If we tried to remove that every single one of you would come in here screaming that your school districts were yelling at you about cutting foundation aid.

**Rep. Brenda Heller:** You don't think what you did in the commission work was good because the number you came out with after you finished your commission work didn't include this. Who was satisfied with the commission work?

**Chairman RaeAnn Kelsch:** The school districts weren't satisfied with that number to begin with. I told school districts that we were not going to put that 7.5 million into foundation aid. However once the cows are out of the barn it is very difficult to go back and that is the position that the senate has put us in. It is a very unpopular position. There is a difference between decreasing the increases to higher education and cutting increases to K-12 and they tend to be a lot less popular.

**Rep. Brenda Heller:** If we took it out why couldn't that be a point of discussion in the conference committee? They took it upon themselves to reabsorb that into the formula so if we take it out it is a point of discussion.

**Chairman RaeAnn Kelsch:** So it would go back into the teacher alternative pay?

**Rep. Brenda Heller:** Not if that program isn't approved. It just wouldn't be anywhere.

**Chairman RaeAnn Kelsch:** It goes back into the general fund. That is the problem. If you want to keep something on the table for discussion you have to keep the money in the bill otherwise it doesn't get discussed because it is gone. The senate did that purposely to keep the 7.5 million dollars alive.

**Rep. John Wall:** I don't know what the commission's intent was. Is there any negotiating room here? By that I mean is there a possibility to have less pilot programs and things like that?

**Chairman RaeAnn Kelsch:** Into the alternative teacher pay?

**Rep. John Wall:** Correct.

**Chairman RaeAnn Kelsch:** There might be a possibility and what I figured we would do is keep the money intact for now and then get through the bill and then we have these other issues for discussion and that will be one of them.

**Rep. Phillip Mueller:** I'd be interested in a little discussion on what is happening to small and isolated and how the factor changed and I see we substituted F and G for J. That is a fairly significant policy change I would think. I am not so sure it isn't a good thing I just want to know what we are doing there.

**Chairman RaeAnn Kelsch:** The discussion was we felt as though there needed to be something different for those isolated schools and came up with this as a solution for the isolated school and actually had no one come in and oppose that. I think they probably felt this was a fair way to go.

**Rep. Phillip Mueller:** Was that done by the commission or by the senate?

**Chairman RaeAnn Kelsch:** That was done by the commission.

**Rep. Phillip Mueller:** Is it a wash in terms of the dollars?

**Jerry Coleman - DPI:** Pretty much in terms of the dollars it would be a wash.

**Rep. Phillip Mueller:** Will it do some shifting on how small and isolate you can be?

**Jerry Coleman - DPI:** It will have some impact on eligibility. I think we have a few districts will become ineligible and to deal with that there was a hold harm was put in for a certain amount of money. They would get the same amount that they were getting this year for the next 4 years and then that would decline 25% each year. We had some new eligible school districts and we had a number of them that remained the same. There is a secondary one where it set the second criteria for isolated schools and it was introduced that any that had greater than 600 square miles would be guaranteed a payment for 50 students. We don't have anyone that would be eligible for that at this moment. I think one would be except they lose all their money due to an excess fund that is offset. I can get some statistics for you. It seems to me we added about 10 school districts to it. It seems like 6 became ineligible

and 2 of them are parts of larger reorganizations so they are larger school districts with larger populations.

**Chairman RaeAnn Kelsch:** What happened is we felt as though the factor wasn't accurate any longer and some of that needed to be changed and updated so that was a commission recommendation.

**Rep. Karen Rohr:** Is that going to be changed in the official law?

**Rep. Brenda Heller:** It is repealed.

**Chairman RaeAnn Kelsch:** In section 23 there were no changes from the senate. That was ensuring that the baseline payment to a district per weighted student unit less any amount received in equity payments does not exceed 142 percent of the baseline funding per weighted student for the 11-12 school year. This is an increase from 134 percent of the baseline funding. It eliminates the maximum payment limitation for school year 2012-13 and thereafter. That was the one thing we wanted to get rid of. The impetus behind the equity formula was to eventually be able to get rid of the maximum and that is what section 23 does. Section 24 has no changes on the senate side. This deals with the equity payments. It states what the average imputed taxable valuation per student may not include. Any school district which is included would have an imputed taxable valuation per student that is three times greater than the statewide average and any school district that is included would have an imputed taxable valuation that is less than 1/5 of the statewide average. It eliminates the special situations that might distort the statewide average which is used to determine the equity payment. This affirms the taxable year of 2008 as the reference for the district's general fund mill levy for purposes of determining the districts imputed taxable valuation. In section 25 there were no changes by the senate. What it does is it deletes the whole language regarding ending fund balance, stimulus, and other funds. It deletes the requirements for a district with excess exclusions from the ending fund balance determination to report to the legislative counsel and it affirms that the excess unobligated general fund balance is in the amount in excess of 45% of its actually expenditures plus 20,000 dollars. It has the funding from the education jobs fund. It is not to be included in the unobligated ending fund balance which is the language on the top of page 32. That is done because with those jobs monies have up to 27 months to spend those and if they have too much money in their general fund balance they get dinged by the state.

**Rep. Brenda Heller:** I guess my question is about the federal money we will be receiving. I want to know what will be attached to that. We always find out later that because we took that this is what we will have to do. How many cases of regulations is that? Is it really complicating or how do we find out what is really attached to taking that money or using it?

**Jerry Coleman - DPI:** The strings on that are that it needs to be spent on salaries and compensation at the school level. It can't be used for certain things. North Dakota has applied for the money. The Governor's office applied for that money and it was awarded to the Governor and it will pass through that office. The appropriation authority will come from the legislature in the department's appropriation bill. There is a line item in there for the education jobs fund. We are waiting on one last clarification but as long as we account for

that as federal money and pass it through to school districts we should be fine. It is based on an allocation based on their state aid formula payments for this current school year. It is supposed to be made available for this current school year and that is one of the main reasons for including for the ending fund balance offset. School districts could draw that down as soon as that money is appropriated and then apply that to salaries and compensation at the school level that they have already incurred thereby freeing up money for other purposes. It has been suggested that they will see some increased expenses for KFFR which so happens it kind of reflects that 2% increase that they will be seeing. It would just free up money for other obligations that the school district has. We don't believe there are any supplementation issues at the local school district level. There is maintenance and effort requirement at the state level which we will easily meet. We haven't heard back from the feds on how to final question on that but we believe that is how it would get implemented. The school districts will have the allocation and then they will have to do the reporting requirements to make sure they are applying it allowable purposes and basically they will apply it to salaries and benefits for school district personnel and then we will retrace to those schools on a reimbursement basis. They legally have until September of 2012 to draw down that money and I would suspect most will draw that down for us. Some could draw it down this year but I don't expect that.

**Rep. Brenda Heller:** I just missed what you said. The appropriation authority is in?

**Jerry Coleman - DPI:** It is in SB 2013. There will be a line item in there for education jobs.

**Chairman RaeAnn Kelsch:** That line item needs to have the emergency clause so the money can be distributed. Basically DPI is just a pass-through. It has no authority. The legislature cannot attach any strings like we could to the stimulus dollars last session. This is money we don't have any authority over.

**Jerry Coleman - DPI:** The legislation is specific about that passing through the LEAs and the state cannot tell how to use that money.

**Chairman RaeAnn Kelsch:** It cannot be used for pension plans.

**Jerry Coleman - DPI:** You can use it for pension expenses if you incur them during that period but you can't bail out a pension plan with it.

**Chairman RaeAnn Kelsch:** Right.

**Rep. David Rust:** Do you know about the bill 1047?

**Chairman RaeAnn Kelsch:** 1047 is the taxation bill.

**Rep. David Rust:** Does that mess with parts of this formula?

**Chairman RaeAnn Kelsch:** When you look at the base year for the funding formula it is 2008, correct? But that is the question because I don't think that amendment is on 1047 anymore. We were hoping to get something into this bill.

**Rep. David Rust:** The base year I think is 2006-07.

**Chairman RaeAnn Kelsch:** The base year is 2008 and I think in 1047 they made it 2009.

**Jerry Coleman - DPI:** That 1047 is the mill levy reduction program. They have some amendments in there. That bill references the mill levies that were in effect for the school levies for 2008. In a way they tie together. One may or may not affect the other.

**Chairman RaeAnn Kelsch:** We will have conference committees so if we need to change that at the end we will be able to do that. We have had to make a couple of those technical corrections during the last conference committee too. We need to make sure we are watching it.

**Rep. John Wall:** The jobs creation money when that goes out for compensation, how are local school districts going to handle that money as far as salary schedules? Is it something that has to be sustained or is it one-time compensation?

**Jerry Coleman - DPI:** The money is one-time. As we see it, it really shouldn't affect business. How local school districts treat and use that in negotiations would be entirely up to them. It is actually windfall money and it wasn't designed for North Dakota. We just happened to have an entitlement for that money.

**Chairman RaeAnn Kelsch:** The difference is that we are the ones that fund foundation aid. If they get themselves in to a situation where they are having struggles then those are the breaks. They got themselves into that situation and we are not bailing them out of it. They need to understand what the money is for and use it correctly. All section 26 does is it limit the enrollment.

**Rep. Karen Rohr:** That is new language then? What was it before?

**Chairman RaeAnn Kelsch:** That is new language.

**Rep. Karen Rohr:** What are the implications of that?

**Chairman RaeAnn Kelsch:** That was a senate change.

**Rep. David Rust:** It also kind of ties into page 2. Once allowed to establish an early childhood program it would seem to me that then you might need some language about timeliness of somebody being able to get into it.

**Chairman RaeAnn Kelsch:** They wanted to make sure they limited those programs to 4 year olds and not allow 3 year olds. Section 27 is what we considered session law and that is the isolated school transition payments. The way they are set up is for 2011-12 and it would be the amount equal to what they would have received, 2012-13 it would be a 75% payment, 2013-14 it would be a 50% payment, 2014-15 it would be a 25% payment, and then if the school closes the isolated school payment would be discontinued. That is the ratcheting down of the isolated school payments. The transportation grants are what would

be session law and that lays out the dollar figures for the transportation grants and how much the reimbursement would be. That is in the DPI budget bill.

**Rep. Phillip Mueller:** What were those numbers?

**Chairman RaeAnn Kelsch:** It was 92 cents, 42 cents, and 24 cents. This is for the transportation grants. Section 29 is the session law again for the 70% language and what is excluded from the 70%.

**Rep. David Rust:** I have a comment about that. At some point in time we need to come to a reckoning on that. I want this to be preparatory for some other year. We have been giving 70% of new monies to teachers for a few sessions now. At some point in time that is going to get you in a bind because if you at the state of North Dakota, according to the school finance facts it is about 49% of the monies that schools spend go for teachers' salaries and benefits. If you continue of always giving 70% of new money up to 50% of your budget, at some point the other part gets stressed. I think in some years it will have to look at not doing that.

**Chairman RaeAnn Kelsch:** I eventually visualize that going away as well once you get onto an alternative compensation plan. I think the purpose in that plan is that eventually that 70% would fade away. Whether it is next session or after my guess is it would take 2 sessions if you go into the alternative compensation. I think it served its purpose but I think now we need to move on to looking at the alternative compensation and phasing that 70% out.

**Rep. Mike Schatz:** You are saying that all monies go 70% to teachers? In our school they haven't got a raise at all in 5 years. Not a dime. I know because I do the checkbook. I don't know how this works but it obviously isn't working in New England.

**Chairman RaeAnn Kelsch:** It is in law that 70% of the new money has to go out that way. It has been in law since 2003.

**Rep. Mike Schatz:** So the school board there is in violation of the law?

**Chairman RaeAnn Kelsch:** Have they filed a waiver?

**Jerry Coleman - DPI:** The way it works is it is an increase in new state aid. New England may be one of those that have declining enrollment situation and if so then they aren't seeing the increases in state aid.

**Rep. Mike Schatz:** You understand what I am saying. It may sound like you are all getting a raise but you are not. A lot of people are getting a raise at all.

**Rep. Mark Sanford:** I think the other part too is if you talk 70%, that 70% is just one revenue stream. So it really isn't 70% of new money, it is 70% of new money of one stream.

**Chairman RaeAnn Kelsch:** Section 30 is the session law that we put in that after all obligatory and statutory payments have been made that the rest of the money is distributed on average daily membership. Section 31 is the contingent transfer of the million dollars for the 1% of special education students statewide who require the greatest school district expenditures. This is language we have seen the last couple of sessions. The industrial commission transfers the necessary amount to the Bank of North Dakota and then reimbursement of the bank has to be introduced during the 2013 session. This is something we do and it is take care of the greatest need which is that 1 percent of the special needs students.

**Rep. Karen Rohr:** When you have contingent money does that mean it is over budgeted and that is why we have extra funds?

**Chairman RaeAnn Kelsch:** That is correct. This is why. Back in the 80s the foundation aid payments would be, for example, 2,000 the first year and 2,030 for the second year of the biennium. Well the first year of the biennium the school districts got their money but the second year they did not and school districts were scrambling. Jerry came up with a way that you can build in to make sure the numbers are more accurate. In the 90s we had a real problem with the numbers that were being built in because sometimes we would have a contingency fund of 5 million. I think the greatest one we had was 12 million dollars. Since we enacted the equity formula his margin of error has been tighter. Legislators really hate going back to school districts and saying sorry we didn't budget correctly for you to receive all the money we said you were going to get. Since we came up with the equity formula it has been a lot easier to predict those numbers but you still want to build in a potential cushion. The majority of this falls on Jerry's shoulders. Since we have always enjoyed somewhat of a contingency, we have been able to fund the 1 million dollars for special needs and sometimes we have had money we were able to put into transportation.

**Jerry Coleman - DPI:** Everything is based on projections so when we start this we are three years out so we are projecting on what we expect our student enrollments to be. We are actually moving into a new era where our enrollment is going up. If we miss by 1%, that is 9 million dollars.

**Chairman RaeAnn Kelsch:** I can tell you as a legislator you want him to be long rather than short.

**Rep. Karen Rohr:** Shouldn't we give a percentage of what you can over budget?

**Jerry Coleman - DPI:** it would be nice if we could but the appropriation process doesn't allow for that.

**Chairman RaeAnn Kelsch:** We have been tighter with the numbers but my guess is we will see some issues going forward with the influx of the students. We have to be careful with that because we don't want to see a shortfall being distributed to our school districts. That kind of happened before in the late 80s when they needed a tax increase.



**Rep. Karen Rohr:** It would be nice if we could see a graph demonstrating the percentage of the contingency fund and also the enrollments so we can start making some good decisions.

**Chairman RaeAnn Kelsch:** This is as good as it gets. We have tightened it up but there really is no way to tell what the percentage of error is. If it outside of that there is no one to blame but us.

**Rep. David Rust:** I lived through the 80s and want to say it was 3 or 4 biennia in a row where we did not get what the legislature promised us. The law said this shall be paid but it wasn't. You try to project and if there is money left over you give it out.

**Chairman RaeAnn Kelsch:** You give it back because it is already budgeted for and it goes back out to the school districts that should receive it because it was part of the initial budget. It has been a way to fund some special projects and sometimes it worked and sometimes it didn't work. If you ran out because your line item number 7 or 8 it might not have been funded. A lot of time we use that contingency fund for special projects.

**Rep. Lyle Hanson:** You are going to get the money. If you get over budget it will be prorated at the end of the biennium.

**Rep. Dennis Johnson:** If we ever need a contingency fund it is going to be now and over the next few years where we have inclining enrollment.

**Rep. Brenda Heller:** I guess the problem I have is with reabsorbing that 7.5 million back into the foundation aid. That raises our ceiling from where we have to start next time. The commission came out without that in there and I don't think you would have done work that wasn't right or acceptable. So that is my problem with leaving that in.

**Chairman RaeAnn Kelsch:** Section 32 is something that the senate put in. It is their all day kindergarten report. That was when they were mandating kindergarten. I don't think it is necessary plus the fact you cannot measure that. So that section could probably go out. This is the alternative teacher pay and the senate just removed that and put the money into foundation aid. This section we will talk about alternative teacher pay and whether or not this section needs to stay. I can tell you that I don't think there was a better study done during an interim. I am not sure an interim committee could study this better so I am not sure the study would be needed regardless.

**Rep. David Rust:** We were talking about the lands and mineral trust fund and it being the new source for the scholarship fund. We were told that it is going away. We are probably looking for some money on where to get that and I don't know if it would be a permanent solution but last legislative session we didn't transfer any money from the Bank of North Dakota. Is that a possible place for some money for that scholarship fund?

**Chairman RaeAnn Kelsch:** It is and I am working to make sure we have a source so that we can rest assured that it is taken care of.

**Rep. Karen Rohr:** You talked earlier today about the commission and K-12 and compensation was not part of the objective of that group?

**Chairman RaeAnn Kelsch:** The teacher compensation was part of that group. These would be some of the ancillary or other issues that need to be discussed. Obviously one would be to look at the alternative teacher compensation plan. Let me explain what happened on the senate side. During the commission, the commission worked on this plan and came up with a plan that had buy in from NDEA, NDSBA, and NDCEL. In the 11<sup>th</sup> hour right before the commission was to vote on it, one of the legs on the stool broke off. So when it went to the senate side there was dissention in the ranks and I think there were some amendments that were proposed and I think it became very convoluted and became an issue. Alternative teacher compensation has been something that was proposed back in the 90s and we probably haven't had a bill regarding directly this issue. We have had some merit pay bills introduced in sessions prior but there was a big move to try to get some sort of an alternative teacher compensation plan done by the legislature and we have never been able to get it done. I think I was encouraged because the three groups that have always come in and fought it in past were actually working to support it. So the senate had problems understanding it, there were some amendments offered, and I think that the senate just said forget it and we are not going to address it. Since the bill was on the senate side the three groups have got together and come up with a modified alternative teacher compensation plan. I think it would be interesting for this committee to listen to what they are proposing and decide whether or not we think it has merit and if we want to see it put back in the bill. That is one issue. The second issue is we need to look at addressing the rapid enrollment. It is not just a NW issue. It has become a statewide issue. There would be some stipulations; a certain percentage of growth plus 25 students. The reason we say 25 is because we when we look at 25 most would say that is a new classroom. That is usually a cut off that denotes a new class room. If they had seen a 3% increase of at least 25 students they would receive a certain discounted percentage of foundation aid payment. You can ratchet it and you go 3%, 7%, and then above 13%. I've been told to use a pool of 5 million dollars for this. So jerry if you can re-run your numbers with a percentage of the 3% to 7% being a 30% payment, the 7% to 13% be a 60% payment, and the 13% be a 100% payment with a cap at 800,000 dollars and see if we can work that into 5 million for the biennium. That is that 3% and at least 25 students. While there are school districts in the NW part of the state, if this is going to be something we look at it needs to be a statewide program and it does pull in some other schools by going to that 3%. We would want to sunset it because I think it is something that needs to be reevaluated each session so we know if we are going to continue seeing the rapid growth or if you will see it leveling off. It would not be included in the foundation aid formula. It would be a rapid growth supplemental payment. Would it go out on weighted student units or would it go out on ADM?

**Jerry Coleman - DPI:** I was thinking we would take a take a look on the fall enrollment so we would base that on the students.

**Chairman RaeAnn Kelsch:** It would be base on the difference between spring enrollment and fall enrollment. We have to have this clear so you understand what you are calculating and so Anita knows what she is writing.

**Jerry Coleman - DPI:** In terms of projection right now of the previous fall enrollment we would be comparing apples to apples. It would be to stay on the same basis so enrollment to enrollment would be a better way to look at that.

**Rep. Phillip Mueller:** I understand the 3%, 7%, and the 13% but I am not sure what the 30, 60, and 100 talk about.

**Chairman RaeAnn Kelsch:** That is the percentage of the payment if you are going to try to get into those 5 million dollars. If for example my district had 2,000 dollars worth of new students but I was in that 3% range I would get 300 dollars. You get 1/3 of the payment. The reasoning behind that is the 5 million dollars and to help the school districts that are seeing the largest amount of growth and to also help the other school that are seeing growth and capping that at 800,000 dollars because I think that is a reasonable amount. You have to look at it as something is better than nothing to address these issues. That is one issue for the rapid growth. The other issue that we need to look at is the school construction loan fund. We have the state construction loan fund that has the long term financing up to 8 million dollars. That comes out of the pool severance fund that was set up a long time ago. Currently there is about 21 million dollars in there and you can only receive money up to 8 million dollars. If we change that to 14 million dollars and this would be done to help out Williston but it would also help out some of those other school districts that are in need of space. So if we increase that to 14 million so if they needed to take out all of that money they could. The loan cannot exceed 5% of the district's assessed value. That is according to the constitution. The projects on the loan applications are approved by the department.

**Bob Marthaller – DPI:** A school district could increase that to 10% of their assessed value by a vote of their electors.

**Chairman RaeAnn Kelsch:** They are eligible for interest rate discounts from .5 up to 2% and that is according to their bond rating.

**Bob Marthaller – DPI:** That is accurate. The bond rating that was used for those loans was the weakest or the least they could get. Since I have sat there I've probably only had 2-3 loans since I've been in that position. I have been using their test bond rating and that obviously gives them a better buy down.

**Chairman RaeAnn Kelsch:** Say for example that Williston took out the 14 million dollars.

**Bob Marthaller – DPI:** Under the current circumstances I believe their buy down rate is about 1.7. They are near the top of the discount rate at this point.

**Chairman RaeAnn Kelsch:** If they take out the 14 million dollars they pay back that 14 million dollars plus whatever the interest rate is minus the discount and that interest money also goes back in to the coal severance fund. If we increase that amount that they can take out their loan to 14 million dollars, does that help them?

**Bob Marthaller – DPI:** I believe it would help them. The only question I have about Williston specifically is I don't know their assessed value and I don't know what their debt

limit is. When I ran the number I assumed they were within the debt level. That is an unanswered question for me. That information has to come from the local county. It would be helpful because they could get the maximum amount which would be 14 million. I would want to run the numbers on that for you just to be sure.

**Chairman RaeAnn Kelsch:** If you would run those that would be beneficial. If we go into buying down interest rates, that is going to cost us some money outside of the latitude that we have to give them percentage discounts because of the funds we are using. Correct?

**Bob Marthaller – DPI:** Yes. I can run a loan for them, say at 14 million, based on the numbers I have and see how it would work out for them.

**Chairman RaeAnn Kelsch:** Let's do that. I can tell you committee members that we are not going to hand them 14 million dollars to build a school. The state of North Dakota is not going to get into handing out money to build schools. It is not allowable under the constitution is my understanding.

**Bob Marthaller – DPI:** It isn't based on assessed value but if you do that for one you certainly will have to do it for all. As far as the balance in that construction fund I am aware of only 1 other district at this time that is interested in borrowing from that fund and it is very small.

**Chairman RaeAnn Kelsch:** It is a possibility that we could move some money over into that fund so that there would be more money available for loans.

**Bob Marthaller – DPI:** I think the law says the principle balance can't be more than 50 million dollars. It is also in the construction school approval section of the law.

**Rep. Phillip Mueller:** Is the intent of that potential amendment change for all schools or is it for those schools that are experiencing what Williston is experiencing?

**Bob Marthaller – DPI:** I believe you would have to make it available for all schools that are applying for this program.

**Chairman RaeAnn Kelsch:** It would have to be for all schools.

**Rep. John Wall:** Is there a limit to the amount of money you can borrow? For instance if West Fargo passes their mill levy, I could see them applying for all of the money.

**Bob:** Except you would set the upper limit and what I am hearing is that they upper limit of the loan would be 14 million dollars.

**Chairman RaeAnn Kelsch:** Right. Currently it is capped at 8 million and we were thinking if you upped it, it would be a way to accommodate those school districts. 8 million today to build probably isn't an adequate number.

**Bob Marthaller – DPI:** 8 million is a very average building.

**Chairman RaeAnn Kelsch:** That is an issue. The third issue is the rapid taxable valuation growth and whether we want to look at amending the law to allow them to go from 12% to 18% and if that is the case, you would need to confine that to school districts that are experiencing the rapid taxable valuation growth and it is 608. That would help those districts. As you heard there are school districts that are trying to set their budgets at 110 mills, think they are there, and then turn around and only come in at 94 mills or 74 mills. This would help them to increase that percentage and try to get to the 110 mills more quickly. That is another issue. I think we somehow have to define that rapid taxable valuation growth and limit that percentage increase to those districts. Do you see a problem with that Jerry? It is still capped at a 110 mills but it would help those school districts. One of the proposals we had was they wanted it to be an unlimited increase of taxable valuation. I didn't think that was the best way to go. It seemed to me that going from the 12% to the 18% would help a number of those school districts to at least get closer.

**Jerry Coleman - DPI:** That was actually last session that they moved to the 12%. It had previously been 18%.

**Chairman RaeAnn Kelsch:** But we would limit it to those districts that are experiencing the rapid taxable valuation increases because they are the ones struggling with this. We are not hearing this from other school districts.

**Rep. Phillip Mueller:** I understand what it is they want to do but in essence what is that doing? I guess the objective here is to make sure we get all the money from the state that is possible by raising the 12 to 18 in just their mill levies so they can get all there is to get out of the state. I understand that but how much money do they need to do what they are doing? If we play around too much with that they can get all the relief from the state that they are eligible for. I think a good discussion is in order on that.

**Chairman RaeAnn Kelsch:** That is one of the other issues. The other issue is the 1047 and that is whether or not we address that in this committee in SB 2150 and that is how we address those 70 schools. Personally I think it is better addressed in a taxation bill because I think it is a tax issue and not a school funding issue. It is whether or not we feel more comfortable with that issue. The issue that was brought up on my way down here is the one that needs some details worked out and I'm going to work with Rep. Carlson on that. It is not a full reenactment or restatement of the commission on education improvement but it would be a hybrid commission that would deal with the education funding, potentially property tax relief, and looking at that and how we would look at that issue. That is something I need to visit about, figure out if it is something we want to do or not, and to put a study in for adult education so we can look at the funding and equities for that. Was that the issues for the rapid growth and rapid taxable valuation?

**Rep. David Rust:** With the rapid taxable valuation growth, the problem is that it could probably be both 2150 and 1047 because that is where you can get nailed. If you have a rapidly increasing taxable valuation and depending on to what they do with that mill buy down on 1047, what happens is you have a school district getting nailed pretty hard and has no method to recover that because of that 12% issue.

**Chairman RaeAnn Kelsch:** We looked at a 3 year rolling average or a 5 year rolling average and that didn't work either.

**Rep. Phillip Mueller:** Why doesn't that work?

**Jerry Coleman - DPI:** We are going back to the amendment the house put on 1047 and that was a reset. As it turns out the way those amendments were drafted they did not work as intended. They were intended to adjust your mill levy reduction rate each year so that if you are underneath the tab and you raise your local mill levy 1 mill then your mill levy reduction grant would go up and as you decrease your mill levy reduction grant would go down. The mechanics of that fell apart as you moved past your first year so I think the senate will either remove those or come up with a new scheme on that.

**Chairman RaeAnn Kelsch:** I will talk to Sen. Cook on that and see if they came up with anything that they think is workable. I know we tried to run some numbers using a 3 year rolling average and I don't think that worked either.

**Jerry Coleman - DPI:** That slowed down the dramatic changes. There is a basic flaw to the mechanics.

**Rep. Karen Rohr:** Could we have your support staff give us a list of all those issues?

**Chairman RaeAnn Kelsch:** None of this has been worked on in a vacuum. We have met with the superintendents from the NW and we have had some input from some legislators from appropriations in talking about these issues. We are just trying as best we can to manage these issues and some of these are just anomalies that we had no indication were going to come up or would be a problem. Now we can turn a blind eye toward the 70 school districts that feel as though they didn't receive the money they wanted but I think in doing that it is probably not appropriate on our part. We can say it is strictly a tax issue but again we have to make sure that we address it because it is an issue and it should be addressed in some manner. If the senate taxation committee is going to address it, fine, but if not then I think we perhaps need to look at addressing it over here.

**Rep. Karen Rohr:** Who determines whose problem it is?

**Chairman RaeAnn Kelsch:** It think all of us point fingers back and forth to each other and say it is a taxation issue, it is not a school funding issue, but then the school districts say it is a school funding issue and it is not a property tax issue. You just get the finger pointing and eventually someone has to take the responsibility and that is why we started looking at it and seeing what it is that we can do. I stood up on the house floor and opposed the amendment. I said the amendment is wrong, it is not the way to go, and it was going to cause problems, but I didn't say to vote against the bill because I didn't think that was appropriate. I just gave everyone notice that it was not right. That is kind of where we are at. These other issues are things that we as a committee need to address and get into 2150 or not and get it into the final version. I will for sure go to conference committee.

**Rep. Brenda Heller:** If we are going to be talking about the teacher compensation pay that you worked on during the interim, I would like to some of that before we are in deep discussion.

**Chairman RaeAnn Kelsch:** We will have them come and I guess if you can all be here after we hear that concussion bill then we can have those discussions. We don't have to necessary have to put that on right away. It can be a discussion point and it can be something that is added on later. I think we have an idea of the direction in the bill currently. I think we know where we are with the amendment up to this point and the rest are topics of discussion that we need to figure out. We will adjourn on SB 2150.

# 2011 HOUSE STANDING COMMITTEE MINUTES

House Education Committee  
Pioneer Room, State Capitol

SB 2150  
03/23/11  
15891

Conference Committee

Committee Clerk Signature



## MINUTES:

**Chairman RaeAnn Kelsch:** We will open on SB 2150. I am going to hand out amendments and we are going to go through them. These are amendments to the sections that we discussed when we started going through the bill. The first amendment is on page 2 of the bill and it is amendment 07004. This is the amendment to clean up the language that was put in to clarify those 35 school districts that are currently offering pre-K programs. What the amendment does is on page 2 is it removes lines 21 through 30. On page 3 you would replace lines 1 through 7 with a new section that basically says that the local tax revenues, other than those necessary to support the district's kindergarten program and the district's provision of elementary and high school education services; federal moneys specifically appropriated or approved for the program, and then gifts, grants and donations specifically given for the program. It basically reverts back to the commission language.

**Rep. David Rust:** On item 1, after local tax revenues, why is that section needed?

**Anita Thomas – Legislative Council:** My recollection is that there was a desire to make clear that the first obligation of the school districts was to provide K-12 services. Pre-K or early elementary education was an adjunct to that. So you have the local tax revenues, you fund K-12 first, and then if you have anything left over. You cannot elect not to provide services or to fire certain teachers. We work your budget so you can accommodate early childhood.

**Chairman RaeAnn Kelsch:** It was in law before.

**Rep. Brenda Heller:** They have to first fund what you just said and then if there is any leftover they can do the preschool. Who is going to know at the school level if all the other things are being taken care of to the fullest extent before they start using extra money? If they really want a preschool program, who is to say they would just cut back on something else so they have a little bit more money for the preschool? How is that going to be handled?

**Anita Thomas – Legislative Council:** There is no state monitoring that would be applicable to a section such as this. There is, however, a great deal of respect given to the intent of the legislative assembly and there is, in turn, a reliance on the professionalism and



the ethics of those who operate our school districts to read the words and understand what the legislature, through policy, told them they ought to focus on.

**Chairman RaeAnn Kelsch:** They also have elected school board officials that would certainly be hearing from their citizens if they were cutting corners and not providing educational services. We have amendment 7004 before us.

**Vice Chair Lisa Meier:** I will move the amendment.

**Rep. John Wall:** Second.

**Chairman RaeAnn Kelsch:** We will try a voice vote.

*Voice vote:* motion carries.

**Chairman RaeAnn Kelsch:** The next amendment is on page 7. This amendment deals with the professional development committee. It replaces compensation with reimbursement and then it states that no member may receive reimbursements under this section for more than three committee meetings during each year of the biennium. This committee sunsets on June 30, 2013, and the appropriation is included in HB 2013 for the reimbursement of expenses.

**Rep. Brenda Heller:** Will that change the appropriation?

**Chairman RaeAnn Kelsch:** No. Is there a motion to adopt amendment 07005?

**Rep. Joe Heilman:** I move the amendment.

**Vice Chair Lisa Meier:** Second.

**Chairman RaeAnn Kelsch:** We will try a voice vote.

*Voice vote:* motion carries.

**Chairman RaeAnn Kelsch:** Amendment 07006 was already adopted by the committee. On page 8, line 19, remove a. and then remove lines 22 through 24, and then renumber accordingly. That was amendment was adopted during committee discussion and that deals with compulsory age of 6 and 17 and that was voiced and adopted that on Monday.

**Rep. Phillip Mueller:** Did we change those numbers, the 6 and the 5? Are we back to where we were?

**Chairman RaeAnn Kelsch:** Yes.

**Anita Thomas – Legislative Council:** The 07006 amendment took care of age 17 and the 07007 amendment is dealing with age 5 and age 6.

**Chairman RaeAnn Kelsch:** All of that was taken care of when we made that motion? The 5 and 6 got taken care of? You did that in two separate amendments and then there is another amendment that deals with that or was that dealt with in the 2 we are getting copies of?

**Anita Thomas – Legislative Council:** We were first asked to treat those as separate concepts. If I recall, the committee removed section 9.

**Chairman RaeAnn Kelsch:** That is a numbered amendment or is it in those two amendments?

**Anita Thomas – Legislative Council:** That was an oral amendment.

**Rep. Phillip Mueller:** So section 9 is gone?

**Chairman RaeAnn Kelsch:** Section 9 is gone so we don't need 7006.

**Anita Thomas – Legislative Council:** As these amendments will be put together you won't have section 9 as it now stands.

**Chairman RaeAnn Kelsch:** I would suggest on page 8 to make a note that it reverts back to current statutory language. The next amendment is on page 18 and it deals with the removal of the writing test for the WorkKeys assessment. It is on page 18, line 5, and it is removing the underscored comma and removing the writing test on line 6. I am taking these as the numbers go up so it may not be in order.

**Vice Chair Lisa Meier:** Why did the senate put in the writing test?

**Chairman RaeAnn Kelsch:** The senate thought that if you are going to assess the people taking the ACTs then you should assess the people taking the WorkKeys. When we were having these discussions it said that it kind of takes away the spirit of why you were having students take the WorkKeys test in the first place. That is my understanding. Is there a motion?

**Rep. John Wall:** I will move amendment 07008.

**Rep. Phillip Mueller:** Second.

**Chairman RaeAnn Kelsch:** Questions? We will try a voice vote.

*Voice vote:* motion carries

**Chairman RaeAnn Kelsch:** We are taking each amendment separately so you have a chance to vote up or down on the amendments. The next amendment is 07009. This is on page 32.

**Rep. David Rust:** I prefer us getting these individually so I thank you for doing that.

**Rep. Brenda Heller:** I just want to go on record saying that although I am probably agreeing with the amendment because it makes this a little bit better than the bill, it is not necessarily that I agree with the bill.

**Chairman RaeAnn Kelsch:** Committee members we will have the opportunity to vote up or down on the bill. We are going to try to get it into the best shape that we possibly can because and we know it has to get to appropriations and we know it will go to conference committee.

**Rep. Phillip Mueller:** We discussed at length in regards about the kindergarten issues on the top of page 19. Is there any amending we need to do there or are we ok with what is there now?

**Chairman RaeAnn Kelsch:** I don't have anything that I can see at this moment on that one. We eliminated section 1 and I think that is what we have done.

**Rep. David Rust:** What does that do with line 17? Did you say there was another amendment there?

**Chairman RaeAnn Kelsch:** We did it just by voicing it and voice vote. It reverts to what is currently in statute. On page 32, line 20, it removes the first "of" and replaces it with "in" and then overstrikes the "Per student funding will not be provided for individuals or school district," and then it replaces "an" with "In determining the state aid payments to which a school district is entitled, the superintendent of public instruction may not count any student enrolled in and early childhood education program." Is that technical language?

**Anita Thomas – Legislative Council:** That particular section of law was inserted by the committee a number of years ago. They were very concerned about per student funding going to early education. There is also a particular awkwardness in that it appears that per student funding could not be given to any district that provided the pre-K or early childhood program and that was never the intent.

**Chairman RaeAnn Kelsch:** Amendment 07009 is a technical correction. We do that periodically as we are going through sections of code. If they don't make sense we will try to clean them up as we see them. Is there a motion?

**Vice Chair Lisa Meier:** I move the amendment.

**Rep. Corey Mock:** Second.

**Chairman RaeAnn Kelsch:** We will try a voice vote.

*Voice vote:* motion carries.

**Chairman RaeAnn Kelsch:** The next amendment is found on page 36. It basically removes that teacher compensation reform study.

**Rep. Joe Heilman:** I will move amendment 07010.

**Rep. Karen Karls:** Second

**Chairman RaeAnn Kelsch:** We will try a voice vote.

*Voice vote:* motion carries.

**Rep. Dennis Johnson:** We have verbally removed 8 through 12 as well, is that correct?

**Chairman RaeAnn Kelsch:** We did verbally remove 8 through 12 as well. We are going to have a discussion on the alternative compensation because we have the individuals that are going to discuss it in the room. This amendment deals with pages 14, 15, and 16. This is in regards to the language for the scholarship. The definition of fulltime is in subsection 6 which means at least 12 credit hours. I think when we were discussing this one we put the 15 hours in there but I think the consensus of the committee was that we wouldn't up it to 15. This one will probably need to be changed. The amendment also has the one-time exception and that was our language that was in 1106.

**Rep. David Rust:** I don't see anything wrong with 15 but my personal opinion is that when I went to school it was just an accepted standard that you took 16 semester hours because otherwise you are going to be a fifth or sixth year student. I'm thinking 15 hours isn't bad but I think that horse is already out of the barn.

**Rep. Corey Mock:** I guess another thing we have to consider is if the purpose is that they are enrolled in at least 15 credits or that they complete at least 15 credits? It is very simple to enroll in more credits and as long as you complete with 12 you are still a fulltime student regardless how many you took at the beginning of the semester. By the language in 07012, fulltime meaning 12 credits during the first two semesters and enrolled in at least 15 credits thereafter, they would suffice the requirements by enrolling in at least 15 even if they drop one course and go down to 12 by the end of the semester. We still aren't doing much to help push the students through and complete within four years. You are merely asking them to enroll in at least 15 per semester.

**Rep. Joe Heilman:** That is a loophole I see, but even if they do enroll they are still attempting to take the course. I don't think there would many students out there that would enroll in 15 just to fulfill the requirements just so they can drop one class and hang onto it. In regard to the 15 I would support having it at 15 because this is an academic achievement scholarship and we want to push these kids through. I personally think the 2.75 is a little low as a requirement but that is my opinion and I'm not going to move to change it.

**Rep. Mike Schatz:** I have a question for Rep. Corey Mock. Is there a fee if you drop the course or can you just automatically drop?

**Rep. Corey Mock:** There isn't a fee if you drop before the drop date which is usually a month and a half or two months into the semester. Any student that drops prior to that date is not penalized and it just shows up as dropped. There is a time in which a student can stay in that course and they can drop it and it doesn't show up on their transcripts. That is

usually within the first couple of weeks and then after a certain point it shows up as a dropped course on their transcript but it doesn't affect their GPA. I didn't want to state that I believe one way or the other on this, I just think the committee needs to be clear on what our intention would be with that. I am not sure I am comfortable with the language at this point.

**Chairman RaeAnn Kelsch:** What are the wishes of the committee? We have the amendment the way it is currently drafted and the discussion was that we probably wouldn't have the 15 hours in there. If someone wants to amend the amendment and then put the do pass on there, I would see that would be in order and we could vote on it and see what the outcome is.

**Rep. John Wall:** I still think the 12 credit hours are good. It doesn't dictate that he students can't take 15, 18, or whatever their advisor will allow them to take. These are bright kids obviously otherwise they wouldn't get the scholarship. They know the scholarship isn't going to pay the whole cost of going to school that semester. They will want to get done as soon as they can to say money. I think the 12 credits are good and I think that most of them probably take 15 or more anyway.

**Rep. Phillip Mueller:** I would agree with Rep. John Wall. Rep. David Rust and I went to school a long time ago and I think things have changed. I think the other things that have to go on in a college student's life often involves off campus work or on campus work. I think 12 hours is appropriate and I would make that motion to amend it to reflect 12 as opposed to 15.

**Rep. Brenda Heller:** Second.

**Chairman RaeAnn Kelsch:** Further committee discussion on further amending 07012?

**Rep. Corey Mock:** My question is for Rep. Phillip Mueller. Is it the intent that they enroll in 12 credits or that they complete 12 credits? In the language we will be defining what a fulltime student means and I believe the institutions recognize a fulltime student as a student who completes 12 credits each semester. I just want to make sure the language reflects what a fulltime student would be as recognized by the institutions.

**Anita Thomas – Legislative Council:** It seems to me that the scholarship is paid at the front end of the semester and that was the reason why the enrollment was used rather than the completion.

**Chairman RaeAnn Kelsch:** That is correct. We have a motion to amend 07012 to keep it consistent that a student must be enrolled in at least 12 credit hours to be considered fulltime. We will try a voice vote.

*Voice vote:* motion carries.

**Chairman RaeAnn Kelsch:** We now have amended 07012 before us. What are the wishes of the committee?

**Rep. David Rust:** I move a do pass on the amended amendment.

**Rep. Karen Rohr:** Second.

**Chairman RaeAnn Kelsch:** Further discussion? We will try a voice vote.

*Voice vote:* motion carries.

**Chairman RaeAnn Kelsch:** Who is going to talk to us about alternative compensation and the plan?

**Jon Martinson - NDSBA:** (Testimony attachment 1).

**Rep. Mike Schatz:** Why would a school want to switch to this from the single line plan that a lot of them have? Do you save a lot of money that way?

**Jon Martinson - NDSBA:** You asked the million dollar question. In my opinion I think most of them probably won't because it is too much work. To answer your question I think there would be an interest in increased teacher compensation. That concept is so scary to some school districts. The reason they might oppose it is they say what if our teachers get interested in going to the other district? That tells me there is some interest. I would like to think that in addition to the additional compensation for teachers, there is also an inherent interest on the part of educators to increase the professional development activities of their teachers. Currently the salary schedule simply doesn't do. (Refer to attachment, page 1, point 4). We struggled a lot with D. Given the amount of money we are talking about, a large school district would use most of those funds and if we have two of those large districts then all the funds are gone. We think it is important for school districts throughout the state to not think of this plan as the big districts versus the little districts. We think there should an opportunity for a big district, medium sized district, and a small district to participate. The funding of five million would fund not more than 25,000 ADM. (Refer to attachment, page 2, point 5). Since the money goes out on ADM according to the number of students, how do you get a very small school that has very few students up to an average figure? We thought you have you have a minimum of 1,500 dollars per participating FTE. If we didn't have a minimum and just went by a weighting factor, it clearly wouldn't be worth it because they wouldn't even have 1,500 dollars. (Refer to attachment, page 2, point 6).

**Chairman RaeAnn Kelsch:** Within this program when you are looking at the various tools that would be used for measurement, would one of them be the student growth including academic growth?

**Jon Martinson - NDSBA:** That is right. The part of the plan that was taken out in the senate talked about 5 different factors that had to be met. One is they need to address the hard to fill positions in the district. The second factor is opportunities for professional growth for their teachers. That needs to occur. As you mentioned the issue of measures of student growth could be academic growth. This also addresses the interest we have in teachers doing some things beyond their teaching load. For example, some of us left the teaching profession because we learned that administrators made more than teachers.

This plan allows teachers to stay in their teaching profession and also have some administrative responsibilities that they could be compensated for.

**Chairman RaeAnn Kelsch:** Rep. David Rust did the same thing you did.

**Rep. Phillip Mueller:** I would be interested in the student growth part. I don't know why would do this if we weren't going to concentrate in that area. The question comes in when you talked about 1,500 dollars. Is that in the five million? Would that be part of .04 figures or are we doing 1,500 plus some other kind of increased compensation?

**Jon Martinson - NDSBA:** The short answer is yes. It is in the five million. That is the minimum of 1,500 which is the minimum due to the number of students in that small district. It does go up to an average of 3,000 and that is in the five million.

**Rep. Phillip Mueller:** That is the base and there and could be more on the plan than the 1,500?

**Jon Martinson - NDSBA:** Yes.

**Rep. John Wall:** How do you replace a negotiated salary schedule with the school and along with that if it is not successful do they return to their salary schedule?

**Jon Martinson - NDSBA:** The way they move away from the standardized schedule to this salary schedule is through negotiations. The school board negotiates with the teachers union on a plan. This whole plan only deals with compensation. It doesn't deal with the other things that teachers negotiate about. In order to move forward on this plan, the union and the school board have to agree. In our opinion the reason this isn't going to catch like wildfire is because the basic ingredient is needed at the local school district and that ingredient is a large degree of trust. In some school districts that simply isn't there.

**Rep. John Wall:** My second question was is if not successful will schools revert back to the salary schedule they had?

**Jon Martinson - NDSBA:** Yes they would revert back.

**Rep. Corey Mock:** When you take administrative expenses out, at roughly 3,000 per participating FTE average, you are about 1,500 total FTE participants. Is that what you envision as far as a number of participating teachers?

**Jon Martinson - NDSBA:** We had 25,000.

**Rep. David Rust:** We had 25,000 teachers and licensed staff. That covers about everybody.

**Rep. Mark Sanford:** The example you gave us still has a structure. My question is how do you know that it is successful? How long will it take and what will it tell us? What is the track record on these types of programs in other states?

**Jon Martinson - NDSBA:** The bill was introduced on the senate side and required an annual report from the school district that implements this plan and they are required to address those five areas we talked about. They need to respond on how they have done in regard to those five areas. Your other question was about success in other states. There has been mixed reviews. There are alternative plans in other states and the concept is still fairly new. Some like it and some don't. We had the advantage of not being first and learning from what they have done. You commented on the structured plan. The plan that I used as a model for you is a structured plan. The three education associations have an interest in providing, to the review panel, some structures and parameters but not all the parameters because we think it is important for districts at the local level to have flexibility on what they think is appropriate in their district. So that is my response to that part of the question. You also said that it doesn't look much different than the traditional salary schedule. We think that the ways in which it does differ are significantly different. It will impact teacher effectiveness.

**Rep. Mark Sanford:** I guess what I was getting at was in the combined hearing we were spending time on the professional development model and there were three proposed. In the middle part there was a 60,000 dollar line item for supervisor training. If we zero in specifically on how you can supervise a system where you are dealing with standards and benchmarks and how students are doing, to me that makes some sense.

**Rep. Karen Rohr:** Is this model set in stone if it is adopted?

**Jon Martinson - NDSBA:** Yes.

**Rep. Karen Rohr:** If I was a new teacher just coming out of school I would start out at the lowest level provisional teacher and I would gain 40,000 dollars. Is everybody at that level when they enter the teaching profession?

**Jon Martinson - NDSBA:** Yes.

**Rep. Karen Rohr:** For each level how are the incremental dollars determined? You also mentioned that there were some academic degrees that would be required but they are not identified for each level.

**Jon Martinson - NDSBA:** This was conceptual and I don't mean to stand up and defend this particular plan. I just wanted to show you the difference between the two. If we were to do it I think that our education associations feel as though educational attainment is important so that could be in a district's plan. You had a question about how the districts set the amounts and I am not sure how they came up with that other than they are saying that the increase needs to be significant enough to be an incentive.

**Chairman RaeAnn Kelsch:** How do you see this playing out in the future? There are questions about how many states have adopted a plan like this, what other states are doing, and what their track record is. There are states that have had, for lack of a better term, pay for performance plans and they are all across the boards. There are a number of states that quickly implemented a pay for performance plan in order to meet the requirement set out in the Race to the Top dollars. I think some of the legislatures are trying



to go back and refine some of those plans. I talked to Colorado and they have a vision on how they see it working into the future. How do you see this playing out into the future? Is it the plan that we will completely get off of the step ladder? Is it the plan that we will totally change the way we fund teacher compensation? Have you given much thought to what your overall plan might be?

**Jon Martinson - NDSBA:** We have given thought to that. You are probably all aware that Secretary Duncan has told educators the reauthorization of ESEA will require states to define teacher effectiveness. We can use this plan as North Dakota's definition and our view is if we don't define it the Federal Government will definite for us. We view this as proactive. This is coming down through the Federal Government. In terms of our vision of this, my vision is that this will start slowly and it may start in one or two districts to get their feet wet. Other districts just don't have the interest or relationships to start this and I do think over the course of maybe ten years this will become popular. I think those districts that initially try this to get their feet wet and express that kind of courage to try something different will like it. I think districts next to them will hear about and hear their teachers talk about and then say maybe we should do this as well. In summary I don't think it will be quick. I think North Dakotans are slow to change but I think it will catch on.

**Chairman RaeAnn Kelsch:** The key word you said was trust. As I have listened to other states as they are implementing this program, trust was one of the things that stood out above the rest. It is the trust and the buy in from all of the interested parties. I was at a meeting that Jeb Bush had put on and a state that was highlighted was Colorado. They talked about how they were able to overcome some of these trust issues. They talked about how they had to work through some of the issues to get the trust because in the past that has been teacher negotiations and it has been that nobody trusts each other. It is going to take some time to move forward but I know it is coming. It is just a matter if we want to be ahead of the game or if we want to be told in the reauthorization of ESEA how we are going to do it. It is my thought that if states already have a plan that they will be grandfathered in.

**Rep. Mike Schatz:** Having been a teacher for 27 years and negotiated 15 times of better, I kind of understand that process. One of the things as a teacher that always bothered me was the amount of children you had in front of you per hour. A classroom teacher is the backboard of your school. Non-classroom teachers are not the backbone of their school. You have to have teachers in front of students and a lot of times you would have 30 kids in front of you every hour. That was my experience. There is a degree of difficulty between certain jobs in education and other jobs. I don't see that element in here at all. I don't see where you are saying this teacher has 30 kids in front of him/her every hour and this one has 2. Should there be a pay difference? To me there should be and it should be an element of this. It is very important because it is a lot harder.

**Chairman RaeAnn Kelsch:** Do you envision if this becomes a program that has buy in, and you may say universal buy in if you get 75%, could you eventually see us phasing out the 70% language in statute that currently talks about providing 70% of your new moneys to teacher compensation?

**Jon Martinson - NDSBA:** That has been an important issue the last few sessions.

**Chairman RaeAnn Kelsch:** I'm not talking about now. I'm talking about down the road. Do you think that maybe that won't be the focal point any longer and maybe a program like this would be more of a focal point?

**Jon Martinson - NDSBA:** I'm not going to comment on where we might be with that language. I don't know where that might go. I'd like to respond to the passion that you had in your statement and what I would say to you is that it makes sense to me that your teachers in your district would have those passionate conversations and they can decide. Your district can decide.

**Rep. Mike Schatz:** When you have negotiated agreements you can't do that. You are put on a salary schedule and that is where you are. Whether you are a great first year teacher or you are not such a great 25<sup>th</sup> year teacher the pay is already set. This is all going to be done in negotiation and on salary schedule. I understand you guys are trying to reform that. I think there needs to be some elements of number of students per day and degree of difficulty in the type of job that you have. I know it is tough deciding how to do teacher pay. I am thinking a couple elements might be missing in this plan.

**Vice Chair Lisa Meier:** You mentioned a couple districts might perhaps do this in the first year. Do you have an idea of what districts you would be thinking about?

**Chairman RaeAnn Kelsch:** I think you would be surprised because I have heard from a number of districts that are looking at this and would be excited to do it.

**Jon Martinson - NDSBA:** I do have some ideas and I would love to be surprised.

**Rep. Karen Rohr:** In my industry we always heard the cry for professional development programs such as this so you could in as a new nurse or nurse practitioner and you could elevate yourself, become more professional and thereby increase your patient outcomes. We saw a surge of people interested and then it dropped because of the amount work that actually went into it. It was 2% that actually contributed.

**Rep. Bob Hunsakor:** I visited with several teachers who have a concern with this. A classroom teacher is also a basketball coach or involved in some extracurricular activity so their time is really taken up throughout the entire year. Their concern is they don't have the time or effort to put into the things that would qualify them.

**Jon Martinson - NDSBA:** One of the things I should have mentioned that is key to the whole thing is that this is voluntary. If your district isn't interested they don't have to do it. The other thing I would say is that I understand that point that the teachers are mentioning but I view this as transformational. The way things are right now would be transformed into something else over time.

**Chairman RaeAnn Kelsch:** During the session I think sometimes passion can be contagious. During this session we have seen a lot of the nurse practitioners and they are so passionate for what they do and in getting RNs to move up into those levels. I think if we saw some of the teachers getting involved in this program they would become much like

what Rep. Karen Rohr and her group have become. Certainly people in that field should be looking at the events because I think it is better for them in the long run.

**Jon Martinson - NDSBA:** I have a concluding comment. I think we need to focus on where the focus needs to be and that is student achievement. All the time that we spend fighting with each other over things that are less important than student achievement could be better spent focusing and developing programs to ensure student success. I think this gets us there.

**Chairman RaeAnn Kelsch:** Doug would you like to make comments or address anything?

**Doug Johnson – NDCEL:** (Attachment 2). First off you need to know that NDCEL does support this. We had a transition time when this was brought to us as an executive board and we all agreed that we needed to look into this. When the commission recommended the amount of money we had some concerns with it so I am just going to let you know what our position statement was that was adopted by the NDCEL. We support investigating research based legislation for alternative compensation for all certified personnel that provides funding on an ADM basis for all school districts who volunteer to participate in an alternative compensation program. That was our position, I have worked with our board, and we are probably the ones that are most responsible for the amendments that are before you. We had our superintendents' conference and I did bring up two individuals that have done the Denver ProComp program. You need to realize that the ProComp program in Denver is not a statewide program. The other thing is as we went forward we articulated some ideas and those ideas for the most part are in the amendments you see before you. We did meet on February 2, and we attempted to get the amendments put into the legislation on the senate side and I think that is the reason it was pulled out. Since that time the School Boards Association, NDEA, and our association have been meeting to try to negotiate an agreement that we all support. I think this is an important thing for you to address. One thing I want to point out that Jon talked about is that we think that the weighting factor is about .05. The .04 does generate about four million dollars and the .05 will generate about five million dollars assuming that you are going to get 200 dollars per ADM. I am passing out a handout that has some school districts we looked at (refer to attachment 2). One of the recommendations that the proposal before has in it is that if there are more than 25,000 ADM application schools they would go into a guaranteed school. What you see before you is looking at the district that we believe might be interested. We are not sure about the small districts but we have talked to some people that might be interested in that. To give you an idea of how this calculates out when you look down the teacher side that is the number of teachers that are in the classroom and teaching classes. When you look at licensed staff, that is the total number of teachers plus the support staff. You can see the ADM for the school district. The factor we put in was a .05 and then we do our weighted ADM and I want to comment on the formula. When we ran through the equalization part of the formula it started creating a lot of anomalies. After consultation, what we did was move the formula outside of the equalization formula. It stands alone and is going to be based on ADM. You can see the weight of the student unit and we set a minimum for a teacher at 2,000 so it automatically guarantees an FTE for that applying school. It goes to a 2,000 dollar base instead of 1,500.

**Chairman RaeAnn Kelsch:** Why does Jamestown just have the 165 for teachers?

**Doug Johnson – NDCEL:** It was an error in the formula.

**Rep. Phillip Mueller:** Certainly the mechanics of how we do this is important. I think for most of us the question we have is will this work. Will we improve student performance and if we do how will that happen?

**Doug Johnson – NDCEL:** We don't have answers on that. There has been some research and I am sure you have received emails on this. There was a study that was done in Atlanta that shows that there was just one particular area that had some improvement for one year if you just base that on academic improvement of the students. That did not look at all the other parameters that are involved in this process. I think we need to make sure it is research based.

**Rep. Brenda Heller:** So if this were to pass there is five million dollars attached to this and the schools would also be getting 70% of the new money for teachers' salaries. To get it started we would be putting money in both sections.

**Doug Johnson – NDCEL:** What would happen is this would be separate so the funding of the per pupil payment rate would have been 3,950 dollars per student for each year. They put the additional 7.5 million dollars into the formula which raised it to 3,961 dollars each year if you level the payment. If it was in the formula for pupil it would be subject to the 70% rule. To my understanding this would not be subject to the 70% rule.

**Chairman RaeAnn Kelsch:** Right and the 70% would not be applied to it because the 70% only applies to the increase in state funding.

**Rep. Brenda Heller:** I understand that but what I am saying is that 70% will go forward the way it always and this will be separate so this will be an extra five million dollars to get this started. One speaker said he wasn't quite sure how many would participate so what will happen with the unused funds if only two schools participate and only one million dollars gets used?

**Doug Johnson – NDCEL:** It depends on how you look at the model. At this time the legislature would have to reauthorize and you would see the base foundation aid payment change to that and the legislature next session would have to appropriate additional money. If every single school district in the whole state applied you could have a substantial cost. It could be expensive but we don't think we are going to have that many participate in this initially.

**Rep. John Wall:** If this is adopted how would this change affect administrators? I'm thinking about the principals whose time is taken up with discipline, attendance, and so on.

**Doug Johnson – NDCEL:** It would have a considerable one on the principal in the evaluation process as they go forward. It would depend on what model the school district would put forward.

**Rep. Mark Sanford:** I would like to know there is something with a measurable result and be able to see something with an outcome. I want this to be successful but to me there has to be a real laser on what is going to happen to students and the results.

**Doug Johnson – NDCEL:** Technically we have to have some suspected outcomes for student growth. In Denver they don't put as much weight on the student growth model and they only do that with those core subjects that are assessed by the state.

**Chairman RaeAnn Kelsch:** We will close on SB 2150.

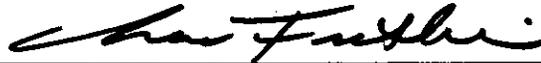
# 2011 HOUSE STANDING COMMITTEE MINUTES

House Education Committee  
Pioneer Room, State Capitol

SB 2150  
03/28/11  
16086

Conference Committee

Committee Clerk Signature



## MINUTES:

**Chairman RaeAnn Kelsch:** We will open on SB 2150. We left off talking about the alternative teacher compensation. The one group we had left to talk about it was NDEA and we have them here to visit about the plan.

**Greg Burns - NDEA:** I would like to spend a little bit of time on how we got to where we are. By "we" I mean the North Dakota Commission on Education Improvement and most importantly the quality instruction subcommittee. At the beginning of the commission's work the Governor and Chairman RaeAnn Kelsch directed the quality instruction committee to look at ways other than the 70% provision which states that 70% of additional revenues must go to teacher compensation. They wanted to look at whether or not there might be alternatives for other things we can do that would change the way the teachers are paid and help the way the teachers are paid. The quality instruction committee did a terrific amount of research about what is going on around the country, where some things have been successful, and where some things have failed. We came up with some things that are consistent with what was proposed in SB 2150. The first thing we found that was necessary for alternative plans to be successful was that these had to be developed collaboratively. Collaboration is a key. As you can tell and I'm sure as you have heard there is a lot of nervousness around this plan. People are apprehensive and scared and that goes for all the parties concerned. We thought we had reached a conceptual agreement and had a meeting with reports of directors of the School Boards Association, the administrators and the teachers and the tension was the palpable. By the end of day people were getting very comfortable with the concept, especially the concept where the people could discuss some very tough issues in a safe place, a place where nobody stood to lose anything. That mutual collaboration is the key to change the way teachers are compensated. The other thing that we found, and the research was 100% on this, was in order for this to work there had to be not only increased funding but funding that would prove to be sustainable. That is the second necessary agreement. At the time we were doing this research, the research indicated that the lowest amount that people were using for this to work was 150 dollars a pupil unit. The other end of this was 500 dollars a pupil unit. You will see that proposal before you kind of splits the difference and in this case a little more on the lower end. Since that time I have to tell you with race to the top and the teacher improvement fund and all those other federal races these amounts have skyrocketed. For example Pittsburg got a special grant and many of their programs were additional duties that called for between 7,000 and 9,000 dollars in additional pay. That is

for individuals who qualified to do special things. Funding and mutuality are the 2 engines that will drive this. Why should we do this? About a year ago our representative assembly adopted a position on alternative compensation that was based upon a model that was being worked on by the National Administrators Association, the NEADA and the National School Boards Association. What this paper indicated was that changing pay and again the terminology gets to be forbidding we ended up with the tortured name of Teachers Supplemental Effective Compensation Plan. It is really a means of ensuring policy makers and people in the community that there is an increased accountability on the way teachers are paid. What we think we have before you is a way that could actually reflect what teachers do in their pay. As we all know most of the current schedules are based on how long a person has taught and how much credit they have earned. That doesn't come close to telling the whole story. The parties have agreed that the current system of evaluation is in terrible shape. We need a place where people can talk and be brutally honest without having to worry about costing someone a job just because of a discussion. Beyond that as I mentioned at the time we worked on this there were 181 of these plans in place. The research we looked at looked at what competent principals were involved in that. We feel we have a very strong proposal in SB 2150. It not only changes the way teachers are paid but it has the potential to completely change the way we do everything in education. The only other thing I have to say is I want to get back to the risk. What is the risk of what has been proposed? We would submit to you that there isn't any risk for anybody. If nobody agrees then there is no risk to anybody because then the money that is appropriated isn't spent and what we have created here is a way for people to proceed based on the 1value that everyone shares which is student success. What we haven't had a chance to do is talk about the student success in an environment that is safe enough for people to really explore it and affects some actual change.

**Chairman RaeAnn Kelsch:** Questions?

**Rep. Karen Rohr:** I think there is a risk and that is student outcomes would continue to decline versus increase if we don't have a paid for performance in place.

**Rep. Lyle Hanson:** Has this plan been used throughout the U.S.?

**Greg Burns - NDEA:** This particular plan contains components of everything that has been successful throughout the U.S. I don't know that I have seen this particular proposal anywhere else but what the quality instruction subcommittee did was try to take the best practices and put them into the legislation.

**Rep. Lyle Hanson:** Can you name some states or school districts that have used this?

**Greg Burns - NDEA:** The only statewide plan I am aware of is in Minnesota. That one had mixed results. There were some places it worked and some that it didn't. I think the flaw in that plan was that there really wasn't an independent review board. People are either going to do something that represents change or they won't get it through. Other places it has worked. I think St. Francis is the most startling example in Minnesota. It worked very well. Minneapolis School District has been doing a lot of these things for years. NDCEL had people from Denver at their conference and what was interesting in listening to them is they are in the ninth year of working on this. What set them back was they were directed to

do this without any additional funding. Because it was top down kind of thing it really threw them back. Their explanation going out there was very supportive of what we are trying to do there. There is no place that we can point to today and say hurray this is how it should be done. We are looking for that. There was an article a few weeks ago indicating how everyone is struggling with this. There is a lot of agreement that this is the right way to go but nobody has found a model where people can say this is great and let's copy that. I think in North Dakota we have the opportunity to do that.

**Rep. Bob Hunsakor:** I struggle with this one. When I am out in the field with administrators and teachers what I hear is that legit research shows that student performance is not impacted by what we are talking about. So those people feel there is not enough evidence and there is too many unanswered questions to put that amount of money into this quite yet.

**Greg Burns - NDEA:** The only evidence we have right now is that if we keep doing the same things we will keep getting the same lousy results. This stuff is new enough that there hasn't been time to study what the impact of this is going to be long term on student achievement. We all agree that the key to student achievement is a highly effective teacher. This state should be proud that it has a very effective program in place in the teacher support program. That is just one small facet of what needs to be done. When you ask what is going on with evaluations now, people are extremely dissatisfied. The risky part here is what happens if I no longer make that next step automatically. A question on that is should people make the next step automatically. What we do know is that experience means something and we do know that additional education means something. The way our salaries are structured now, experience and additional education mean everything and that has led to a great deal of satisfaction. A master's degree has value but what if you have a teacher that has 2 degrees and is licensed in 2 areas and in getting that licensure they didn't have time to get a master's degree but they'll never make as much as some with the master's. How do we sort through that?

**Rep. Joe Heilman:** Could you tell me what you mean when you say it didn't work in another school district? What would be your definition on that? Is it solely student outcome based or is it a combination of that plus created tension in the evaluation process?

**Greg Burns - NDEA:** The definition of failure is both. I think the failure is that you don't see any increase in student achievement and the second is it is amoral destroyer. When these things have been implemented from the top down and where there has been no collaboration, there is confusion, chaos, and anger in the workforce which sets up back even further.

**Vice Chair Lisa Meier:** Can we talk a little bit about what states have rolled this out statewide and what process they are utilizing?

**Greg Burns - NDEA:** Minnesota is the only state I know of that is trying something this ambitious on a statewide level. Currently there are things going on that are not helpful. I know in 17 states they are legislating forced evaluation based solely on test scores. That is doomed to failure simply because we only have nationwide no preference testing for about



30% in the subjects offered so I don't know what they are going to do with those other things. Most of what is happening now has come about collaboratively.

**Chairman RaeAnn Kelsch:** The rest of them have rolled it out somewhat similar to what is proposed here where it rolls out in a smaller nature. I hate to call them pilots but in essence that is what it is and that is how the other states have done it. A lot of the states did it in response to the Race to the Top dollars. Their implementation process is new as well and then there were some states as well that did have a voluntary pilot level that had been doing this. Because it isn't done statewide they are getting summaries of this but probably don't have a lot of data yet.

**Rep. Phillip Mueller:** When we look at the amendment on page 5, there is one little line there that says resulting in measurable student growth including academic growth. That is really the only reference we see in the amendment. It talks about what I am most concerned about that is how we can improve that fifth grade class from the begging to the end of the year which I think is the crux of the issue. It seems to me we you under serve that concept in this amendment. Can you address that and maybe it is part of the school's plan but if we follow through this it really doesn't put much emphasis on what I would consider to be the main issue involved.

**Greg Burns - NDEA:** I think the intent here is to address it head on. What research has shown is there are multiple measures of growth. Testing is only one of them. Nobody has resolved the testing question yet and everyone is interested in what the role of the testing question is. Our members agree that you cannot discount testing. On the other hand there is a growing universal agreement that test scores should not be everything because it is just a snapshot. So where do they fit? One of the things that we are asking is that local districts figure that out and try new things to measure their results. The other part of student growth that is very important is attendance, participation, changing dropout rates, and closing achievement gaps. In high schools it might be something as seemingly simple as increasing participation in extracurricular activities. Most colleges and universities can tell you now that the greatest indicator of success at the post-secondary level is participation in extracurricular activities.

**Rep. Phillip Mueller:** We talk in here about a maximum of 2,000 dollars as the kicker for achieving this better teacher status. Can that go way or can that be rescinded? Can we drop off 2,000 and say that you only did about 1,000 dollars worth of work this time? How would you see that working?

**Greg Burns - NDEA:** We had some real concerns about putting specific dollar amounts in there just for the reason that people would focus on that as being the dollar amount. I'd like to stress first of all that the number is an average amount. Some people could get more than that and some could get less depending on the nature of what it is that the parties agree on. As far as it going away is concerned, we have tried to find a way to assure people that if they are approved and if they get approval at the annual review that this funding is not going away. It is a real stopper if people think that someday this funding is going to go away. We ran into some difficulty with that. At first we thought we would be able to put these amounts right on the per pupil formula. It turned out that did some things to equity. We also heard some concern from the smaller schools that they felt that they were

being left out of consideration. It is our intent to make this funding ongoing as long as the programs meet the annual review.

**Rep. Phillip Mueller:** That is not so much what I am asking. Let's say Rep. Bob Hunsakor has done a great job and we have determined that he is at a point where he should be getting 2,000. My question has to do with the second year. So the second year his work isn't as great. Can he lose some of that in this envisioned plan?

**Greg Burns - NDEA:** I think that could happen and that is where the evaluation component is so critical. Right now with the way things go that wouldn't happen. This way at least there would be a reasonable, rational, remedial approach. That is why the evaluation component here is so strong there. There has to be a way of making that judgment in a way that makes sense to the people that are going to back that pay off and in a way that makes sense to the person that earned that pay.

**Rep. Brenda Heller:** I have a few questions. The first one is that it says they must show evidence of effectiveness. Have you answered what is going to measure that effectiveness?

**Greg Burns - NDEA:** I have not because I don't have the answer. That is what people need to decide when they put these plans together.

**Chairman RaeAnn Kelsch:** Is that something done by the school district when they bring their plan forward.

**Greg Burns - NDEA:** That is correct.

**Rep. Brenda Heller:** Is there built in accountability?

**Greg Burns - NDEA:** There should be built in accountability in these plans locally. The ultimate accountability is the review panel which will not only grant additional permission to go ahead with these plans but there is an annual review in process in place to make sure that people are adhering to what they said they would do.

**Rep. Brenda Heller:** A lot of this gets put on the back of the local people to implement the plan and they have all the points that are required in place plus they have to follow through if it is served correctly.

**Greg Burns - NDEA:** Correct.

**Rep. Brenda Heller:** In full scale implementation how much would this cost? If it was fully implemented to every teacher and every student, how much is it?

**Greg Burns - NDEA:** It would be about 20 million dollars.

**Chairman RaeAnn Kelsch:** It is voluntary to that is only if all school districts do it.

**Rep. Brenda Heller:** Is that 20 million per year or biennium?

**Greg Burns - NDEA:** It would be 20 million dollars the first year and then it would be ongoing costs after that.

**Rep. David Rust:** Is this a supplemental or an alternative plan? I mean by that is supplemental is generally on top of, and alternative is in place of. So if this is a supplemental plan does that mean that there will still be negotiations on the salary schedule and then the dollars that are part of this are on top of that or is it alternative where they would no longer negotiate on a salary schedule and this would be in place of that? Does the salary schedule as we know it go away?

**Greg Burns - NDEA:** It is our understanding that according to this plan people will negotiate their 2 year agreement this cycle as they normally do and then they will make an attempt to put together this supplemental plan. How that impacts the current schedule where it is separate or supplemental is going to be up to what the parties agree to. The term supplemental actually came from council's office. We always viewed that as being alternative. I think the long term goal is that this will eventually evolve into the way of doing business so that the traditional salary schedule as we know it will eventually disappear.

**Rep. David Rust:** Eventually meaning after this biennium or after 8 biennia later?

**Greg Burns - NDEA:** I wish I could answer that. If this is successful in the upcoming biennium I think it would accelerate the process.

**Rep. David Rust:** I have to admit that I am more in favor of an alternative compensations plan because otherwise we probably just added another layer.

**Greg Burns - NDEA:** The other reason we used the term supplemental is because of how this is funded and because it is not really part of the regular funding. It is a supplemental funding. The terminology can get us into trouble.

**Rep. Karen Rohr:** Do you have any idea of the percentage of buy in from the teachers across the state of North Dakota for this particular plan?

**Greg Burns - NDEA:** We surveyed our members this fall. Our members support 80% pay based on multiple measures without making one of the measures more important than another. If you asked our members about paying for a test, they are almost 100% against it.

**Rep. Karen Rohr:** In general are they in support of the professional growth model in the teaching profession?

**Greg Burns - NDEA:** Our representative assembly last April supported this concept without a dissenting vote.

**Rep. Karen Rohr:** Does that include all teachers from across the state? Is everybody part of the NDEA?

**Greg Burns - NDEA:** It is the people they elect to represent them and we represent a little more than 70% of the teachers in this state.

**Rep. Karen Rohr:** In reviewing this model, it seems to me what is missing for determining effectiveness is a form of peer review. Do teachers do a peer review and do they have parent input?

**Greg Burns - NDEA:** That is what we hope the parities will figure out locally. There are a few places in North Dakota where they are experimenting with peer review already.

**Rep. Bob Hunskor:** Your comments are interesting because I have 8 schools in my district and I am not hearing from the teachers what you are saying. You talk about an average of 2,000 and some getting more and some getting a little less. You also indicate in the second or third year that it would be a possibility to add that 2,000 dollars or you could lose that if you were messing up. I'm wondering about jealousy and harmony and it concerns me and it concerns a lot of people. That is something that has to be considered. Schools will say the veteran teachers are helping the new ones, is this going to disturb that harmony?

**Greg Burns - NDEA:** We agree that those things should not happen. We also agree that people that think that type of behavior is no in existence now are fooling themselves. If people don't want to do this they don't have to. If people don't want to step out and try to do this they don't have to. I can't tell you that 100% of our members are jumping up and down at the prospect of this. There are people that disagree. We will never get 100% on anything. The leadership and the people that think about this and talk about this are very supportive. Our members stand up a salute this.

**Chairman RaeAnn Kelsch:** Rep. Bob Hunskor reminded me of the arguments that have been used against this type of pay in the past and that was the jealousy and hurt feelings. Those were always the arguments used against it and those bills were defeated. The second thing I think is probably the most telling is University of Marry has their teachers that are about ready to go out into the teaching word every spring and this topic has come up with that group of people and they don't want to be stuck on the ladder. You will find that the ones coming into the profession are the ones that are the most excited about this. The ones that are in the middle to more seasoned are the ones that are the most apprehensive because it is change and it is the biggest change for them. We all know that change is hard but they are scared because it will be something totally different than what they are used to. If find it refreshing that this is all the young people have been talking about.

**Rep. Mark Sanford:** I'm still bothered by the criteria. 4 of the 5 criteria seem to me to be things that we currently do. There is pay for extra work, pay for participation, and there is pay for whatever. Whether we call it supplemental or extra, there is recognition of that in the system we have. I would be more comfortable if the criteria said some of the things similar to what you said. If we expand that statewide we are talking 20 million. We have to be sure that what we are getting focuses on what we want. That is my biggest concern. I want something like this to be successful. I just worry about the criteria being very similar to what we are already doing.

**Greg Burns - NDEA:** That is an excellent question and one we debated for a long time. I'll tell you where the quality instruction committee came down and I think this is where the commission came down. The whole dilemma with trying to do something like this is when you are too descriptive or not descriptive enough. What comes back to us is local school districts are not autonomous. As you said there is some of this going on and in other places it is nonexistent. It is our hope that as parties get together and talk about this they will naturally look at North Dakota and go there as a way to experimenting with student growth. I don't disagree with anything you said. I think the devil here again is the details. If we say this will work in districts A and B and we write that everybody has to do this, districts C and D might get upset. Those are great comments and questions and if there is a way to do it that doesn't get everyone upset we would sure like to look at that.

**Chairman RaeAnn Kelsch:** Rep. Mark Sanford's comments are on the record and that falls into legislative intent. That is one of the issues if you want to leave this up the school districts to make that determination you can't be too prescriptive because you have to give them some ability to work with those.

**Rep. Mark Sanford:** I have a question on the supervision process. Your comments seem to say that it is not good now so what are the potentials there?

**Greg Burns - NDEA:** What we are really looking for is a lot more peer review or a lot more teacher assistance in the process. There is nothing encountered in this proposal that it would be wrong headed to suggest a system where the ultimate responsibility for a making a decision didn't rest with the administrator. Administrators will tell you that there aren't enough of them to an evaluation process that changes practice for everybody or has a chance to change the practice for the large number of people. I think as we set forth in this process that it is still the administration that has to do what is required by law and ultimately will make a judgment but if these judgments are based upon people who are also trained in observations and trained in what we need to do, we can get more observations done. With the ones that have come into existence, the average number of teacher observations for every teacher per year is 4. Our system can't handle that right now. This is going to involve discussions about what constitutes effective teaching and how we identify it. I think it will help take out some of the fear of these decisions that will be made in terms of where people go or don't go in terms of salary if the input of colleagues is also there.

**Chairman RaeAnn Kelsch:** Committee members you have amendment 07022 in front of you and last week we were talking about the rapid inputted taxable valuation and how to address that. The second page is actually where the amendment is.

**Rep. David Rust:** First of all let me explain the reason for this. If you happen to be in a school district that has a rapidly increasing taxable valuation some interesting things happen. Since the best example I can give you is Tioga I will use that one. Their taxable valuation last year went up 43%. What they did was they looked at their budget and the amount of money they would levy at. What they levied was the maximum that they could which is 12%. They increased their dollar amount levy by 12%. Because of the rapidly increasing taxable valuation, when the final endgame came you'd think that if you increased your levy by 12% that your mill levy would go up. Because of the taxable valuation going up so rapidly, their mill levy, even after they levied 12%, went from 94 mills

to 74 mills. They increased 12% and yet their mill levy dropped 20 mills. There are a couple of things that happen with this. Another one that happens is you get criticized for not levying 110 mills like everybody else when in actuality you can't get there. You are not going to go from 74 to 110. That would sock your taxpayers with a healthy tax increase. If you will recall prior to HB 1400 school districts were able to have an 18% increase and last session it was dropped to 12%. What this would do is it would say that for a school district that experienced a rapidly increasing tax evaluation, for the taxable year in which it increases and the next taxable year, the amount of dollars that they can levy would be plus 18% up to the maximum of 185. All it does is it raises that 12% to 18% for 2 years and then it defines rapidly increasing taxable valuation as an increase of 20% or more on the taxable valuation for the previous year. We looked at a several numbers and we and legislative council looked at whether it should be 15% or 18%. We felt that among other things if you have agricultural land for instance, which I believe is about to have a significant bump, that it wouldn't be difficult for almost every school district to have 12% increases. Instead of using 20% there we used a variation. If you went with 12 or 15 it wouldn't be difficult for maybe almost every school district to meet that and that in essence might be looked at as an increase in taxes and would be statewide as opposed to be used for special cases. That is the reason why we used 20%. We also talked about higher than 18% but felt that it was something that people would be comfortable with. Basically what the amendment does is the following. If you have a taxable valuation that in a given year goes up by 20% or more, for that year and the next year you could go to 18% rather than 12% on your levy.

**Chairman RaeAnn Kelsch:** It is restricted to only those school districts that do have a rapidly increasing taxable valuation.

**Rep. Phillip Mueller:** Rep. David Rust why would Tioga do that? Why would it be necessarily for them to go from 12 to 18%?

**Rep. David Rust:** If HB 1047 were passed out of the senate as it came from the house then Tioga school district would get nailed for a 295,000 dollar deduct. If you are going to take away 300,000 dollars of money either from system or another from that school, they are going to need to recover some of that and 12% only allows them to recover 100,000 for those dollars.

**Chairman RaeAnn Kelsch:** And it is not just Tioga that is experiencing that because there are a lot of those. You are correct, if we continue to see the land prices go up they will continue to see those bumps.

**Rep. Phillip Mueller:** I understand that and I think you answered that exactly the way I assumed you might. I do see some problems with this and the first issue that comes to mind is are we going to levy 18% because we need to have the money to run Tioga or wherever or are we going to levy 18% because that gets us closer to the full load of state foundation aid? Is it a combination of both? I don't know. On the surface I have to resist that amendment and suggest we hold everybody harmless this time and maintain the same level of state aid to the school in Tioga or wherever it might be and have the commission or some variation of the commission take a look at how this thing can be fixed.

**Rep. David Rust:** In response to that you never know what is going to happen in any school district. I can only tell you what happens in Tioga. First of all school board members are very cognoscente. I'm trying to remember but we must have gone with something like 7 or 8 years in a row where we levied the same dollars from the previous year because we didn't want to increase taxes. As the result of levying the same amount of dollars and your taxable valuation going up, your mill levy really comes down. Our school board and I think many school boards are the same. They are very cognoscente when they increase their levy that they are increasing taxes for their patrons. I don't think they will just levy 18% because that is what they are allowed to do. I think they will levy 18% if that is what they need to do but they won't just do it because that is what they are allowed. They will error on the side of the taxpayer and not some other thing.

**Rep. Karen Rohr:** Do the people of the community get to vote on that?

**Rep. David Rust:** Every time they elect school board members they get to vote on that. Only boards of education make a determination up to a certain amount. It used to be 185 mills. Now it is 110. If you go above the 110 mills, unless you have an unlimited levy, yes the voters must vote on that to increase beyond that maximum.

**Rep. Lyle Hanson:** Rep. David Rust, say number 1 is Minot district and number 2 is the Tioga district. In number 1 all you need is 50% plus one person but you have to have 55% in number 2. Why the difference?

**Rep. David Rust:** I don't think there is a difference. I thought just to raise your mill levy you just need a majority, however, I believe you are correct in a building project.

**Chairman RaeAnn Kelsch:** I think that is correct.

**Rep. Lyle Hanson:** I thought that was 60% for a school building.

**Chairman RaeAnn Kelsch:** For school buildings it is and this must not be in this section of law.

**Rep. David Rust:** My recollection is if you want to go above the 185 which is 110 now, is you need a simple majority plus 1. You have to remember that you have to be a rapidly increasing taxable valuation district and that is 20%, so if you have a 10 million dollar taxable valuation you'd have to go to 12 million before you'd be able to qualify.

**Chairman RaeAnn Kelsch:** Do you have a motion

**Rep. David Rust:** I move the amendment.

**Rep. Mark Sanford:** Second.

**Chairman RaeAnn Kelsch:** Further discussion? We will try a roll call vote on proposed amendment 07022.

*Roll call vote: motion carries.*

**Chairman RaeAnn Kelsch:** I'm going to explain the next amendment. This is a grant line item so this is what we call session law. It is good for only 1 session which we thought was important to ensure we try this to make sure this works to help out those school districts that are experiencing the rapid growth. Eventually what I am guessing will happen is that rapid growth will level off. This is a ratcheted level step ladder type of approach to the rapid enrollment. In number 1 it says that if your student enrollment has increased by at least 3% and that increase is equal to at least 25 fulltime equivalent students. It took us a little while to come up with what we thought was a good number. I used 25 because I looked at 25 as being a classroom. Those school districts would receive a 30% payment. If a school district has seen an increase of at least 7% and again the 25 students, they would receive a 70% payment. When I am talking about the payment that is from their formula payment and if a school district has received at least a 13% increase and the 25 students, they would receive 100% payment. There is a cap on it so no school district could receive more than 800,000 dollars annually. If there is not enough money we do have a little bit of a cushion in here. It says 5 million but Jerry Coleman felt that he kind of has a little bit of wiggle room because we can't anticipate what is going to happen for those school districts. The reason for going with the 3, 7, and 13% is that if you cut it off at certain levels it is not a statewide program and it needs to be a statewide program because not only the oilfield school districts are seeing an increase but we are also seeing some large increases in other parts of the state. That is why we felt in all fairness we had to do it this way and we set it up to the way that this is.

**Rep. David Rust:** Since last year when the ADM was turned into the state of North Dakota and that is the amount in which a school district is paid in dollars, I believe the Stanley school district has picked up nearly a 100 kids. When you pick up 100 kids and your enrollment was under 400, it is a significant number of kids to come into your building. Granted the way the system is set up, a year later they will get money for those kids because foundation aid is based on the previous year by average daily membership. The fact of the matter is that those kids are here right now. You have 100 kids that need to be served. The things that happen in the course of a year may require additional teachers and staff. Another problem that happens is it seems to me there is a fairly significant number of those children that come in as an IEP and that creates considerable costs. For those schools that are experiencing that rapid increasing enrollment, getting the money a year later isn't good for them. I see this as a system to provide that

**Rep. Phillip Mueller:** How were the numbers of 3, 7, and 13 arrived at?

**Chairman RaeAnn Kelsch:** When we looked at the school districts that had experienced a great deal of growth it was kind of arbitrary because it seemed as though there were school districts that had about a 3% growth that was more substantial especially if you look at that going to the 25 students. You could see a definite distinction between 3%, 7% and 13%.

**Rep. Lyle Hanson:** If you had 3% one year and it went up to 6% the next year? Would that be two 3s?

**Chairman RaeAnn Kelsch:** It is the 3% increase per year.



**Rep. Lyle Hanson:** When I was in Garrison we'd have 30-40 kids come in at one time and stay or a month, 2 weeks, and some stayed all year. How would you say that they are a fulltime student if they are only there for a short period?

**Chairman RaeAnn Kelsch:** When you submit your ADM number at the end of the school year, your fall enrollment may say you have increased your enrollment by 175 students. That is why I said is it a sustainable number or if it is beginning to level off it isn't going to be much of an issue. If you see that from spring to fall that you are increasing by 100 kids each year of the biennium that is substantial growth. The way that it works is the number of students that are there at the spring ADA and when the fall school starts it is that number. It is the difference between those two numbers. I don't know if you can combine them because if that student was there at the end of the school year and they are still there plus the other 99 students, then they are still there.

**Rep. Mark Sanford:** The state aid is one of the revenue sources and in fact it is a major one. It accounts for about 70% ideally if we get to that level. This is a very important amendment at the standpoint that it is a major revenue source that a district has. You have to make some decisions on how you are going to serve this influx. What this would do is it would give you the option to say they are here and we need to take care of them, understanding fully that it is a one year grant. It is only a one time deal. It is very much an in the moment tool.

**Rep. David Rust:** I'm looking at the amendment and this one here is actually from ADM in the spring until September 10. Did we not at one point in time talk about ADM from one spring to ADM the next spring because the payment would come at the end of the year?

**Chairman RaeAnn Kelsch:** I was thinking we were always talking about the spring to the fall and then you would get the supplemental payment.

**Rep. Mark Sanford:** I believe one time during the discussion Mr. Coleman suggested it was fall to fall.

**Rep. David Rust:** The reason I asked is I am guessing during the course of the year they probably picked up an additional 30 or 40 kids.

**Jerry Coleman – DPI:** If you use ADM you have to wait until the year is complete before you know that number so you wouldn't be getting any closer. If the intent is to measure the change in the fall when they have these students that need the money upfront, then we would want to use an enrollment count. I thought for simplicity and because they are the same count, fall enrollment count to the previous year's fall enrollment count would be the best. ADM includes a number of other things like part-time students and the like. We could do it fall to previous year ADM if you chose to and that would take care of the concern where the fall count has gone up.

**Chairman RaeAnn Kelsch:** How did you calculate it

**Jerry Coleman – DPI:** I did fall to fall in the estimates.

**Chairman RaeAnn Kelsch:** The amendment isn't correct then?

**Anita Thomas – Legislative Council:** The amendment is fall to fall.

**Chairman RaeAnn Kelsch:** The amendment is fall to fall.

**Rep. Phillip Mueller:** I would move the amendment.

**Rep. Mark Sanford:** Second.

**Chairman RaeAnn Kelsch:** We have the motion before us. We will try a voice vote.

*Voice vote:* motion carries.

**Chairman RaeAnn Kelsch:** Amendment 07018 is to look at adult education and the funding.

**Rep. Lyle Hanson:** I move the amendment.

**Rep. John Wall:** Second.

**Chairman RaeAnn Kelsch:** Committee discussion?

**Rep. Karen Rohr:** Has adult education ever been studied before?

**Chairman RaeAnn Kelsch:** If it has been studied it has been a long time. We have had some discussion about adult education but nothing really deep.

**Rep. Karen Rohr:** It just says the provision and funding of adult education. What specific criteria are you looking at besides the dollar amount? Are we going to get data in terms of the number of students?

**Chairman RaeAnn Kelsch:** If you look at a lot of studies they are intentionally vague so the committee itself can determine what additional information they want. Certainly the most valid of the information would be the data so we can see the number of students. When you at some of the students that have dropped out of school and went into some of these adult education programs, they are between the legal age of public funding and that would be age 16 to 21 basically. How do we get our arms around this group of students because we know these students are going and they are getting degrees. I think we just need to get our arms around the number of students and how we are funding this. Are there ways that it could be funded better?

**Rep. Dennis Johnson:** I appreciate you have the study in here but at the same time I think we could have done a little more for adult education. I think the program is utilized.

**Vice Chair Lisa Meier:** I think this is good idea. I think it is good to look at where the needs are in adult education. I think the makeup has changed over the years so I think it will be good to address that.

**Rep. Phillip Mueller:** Can you or someone speak to what the level of funding is and did it increase?

**Chairman RaeAnn Kelsch:** They really haven't done anything much with the funding bill at this point.

**Jerry Coleman - DPI:** I was thinking that the executive recommendation had something like 1.8 million and I think the senate added somewhere in the neighborhood of 200,000 but I am not finding a number here.

**Chairman RaeAnn Kelsch:** I was thinking it went up to 2 million

**Jerry Coleman - DPI:** I think that is in the ballpark because the senate added a little bit.

**Chairman RaeAnn Kelsch:** I that is roughly where it is at.

**Rep. John Wall:** I believe that is correct. I believe they asked for another 1.8 million dollar increase and the senate had a 200,000 dollar increase and it is still in appropriations and it hasn't been settled yet.

**Chairman RaeAnn Kelsch:** It is in the DPI budget bill.

**Rep. Brenda Heller:** Was this study requested by Valerie Fischer or where did this come from?

**Chairman RaeAnn Kelsch:** It was my idea and it was in discussions I had with some individuals that are concerned with the funding levels and where funding is going to go in the future and looking at different mechanisms that could be used to fund adult education. It is not a mandatory study so it has to be picked by legislative council. We will try a voice vote.

*Voice vote: motion carries.*

**Chairman RaeAnn Kelsch:** This is amendment 07023 and this is the North Dakota scholarship. We talked about having it as 12 as a fulltime student. Basically how we had written HB 1106 is we had in there that students that are on quarters can receive the 500 dollars. We did that purposely because the private campuses qualify for these scholarships and the one that is on quarters still is Rasmussen and we do have a student enrolled there. In conversation that I had with Peggy Wipf, who is the individual that administers the scholarships, she felt more comfortable if that amendment stayed in and it was in 1106 when we passed it over. When the senate made their changes they left out that language and we want to make sure that we know that those students do qualify. Peggy said it is too difficult to figure out how to pay that school out because they are not on semesters so that is why that language is in there. HB 1106 was defeated because they thought they would address this issue in SB 2150. This is the way that HB 1106 was passed over from the house.

**Vice Chair Lisa Meier:** I will move the amendment.

**Rep. Corey Mock:** Second

**Chairman RaeAnn Kelsch:** Committee discussion?

**Rep. Corey Mock:** This does not address the fulltime requirements for other than freshman students go to 15 credits does it?

**Chairman RaeAnn Kelsch:** It is just fulltime. We don't have the 15 in here. We will try a voice vote.

*Voice vote:* Motion carries.

**Rep. David Rust:** I have a question for you on amendment 07012. This amendment replaces that?

**Chairman RaeAnn Kelsch:** Correct.

**Rep. David Rust:** So amendment 07012 wasn't considered, it was just for discussion?

**Chairman RaeAnn Kelsch:** It was just for discussion purposes.

**Chairman RaeAnn Kelsch:** I have an amendment from Rep. Hawken. This is an amendment to the North Dakota Early Education Council which we had to put into law during the last legislative session and this is part of a federal requirement by Federal Head Start laws. We had this in HB 1400 during the last session. Rep. Hawken drafted this amendment to address a couple of concerns she had. She did a lot of work on the early childhood education component in Commerce Department's budget. She said a number of the early child education grants are given to the private sector to address workforce needs and that comes out the Department of Commerce and so she thought it was important to add the commissioner of commerce. She also felt that it was important to give them more specific duties which in on page 2. Number 3 has that they identify ways to assistant recruitment retention of individuals interested in worked as providers of childhood education, care, and services, including training and continuing education or professional development opportunities. Number is to seek the advice and guidance of individuals who are uniquely familiar with the nature, scope, and associated challenges of providing early childhood education, care, and services in geographically and socioeconomically diverse settings, and develop recommendations pertaining to the short-term and longer-term improvement and expansion of early childhood education, care, and services in this state. They need to bring a biennial report of their findings and recommendations. Instead of it being activities they actually have to present their finding and recommendations to the Governor and the legislative assemble. She also added in an individual representing children with disabilities, they changed special needs to disabilities, and they changed pre-school to early childhood because that is actually the verbiage that they are using going forward..

**Vice Chair Lisa Meier:** I think the recommendations are good. I'll move the amendment.

**Rep. Corey Mock:** Second.

**Rep. Phillip Mueller:** I would support the amendment as it stands. We have a unique circumstance with NDSU extension service where there is a Gearing up for Kindergarten program. Would it be valuable to have a representative from that group in this early childhood education council?

**Chairman RaeAnn Kelsch:** Gearing up for Kindergarten isn't an early childhood education program. It is a class that is taught to teach parents and children about what to expect going into kindergarten so I don't know that they necessarily fit well into this program.

**Rep. David Rust:** There is no fiscal note that goes with this. What they are doing is adding members and expanding on their duties. Is that correct?

**Chairman RaeAnn Kelsch:** If you look at the language that was crossed out and I think Rep. Hawken kept an eye on this council and she felt some of their duties and responsibilities weren't that necessarily and thought that it was probably better to look at these new initiatives and how we need to address early childhood education in the state. Primarily in a lot of the regions where perhaps you are seeing the growth, how it is that you help private sector businesses which is what Governor Hoeven did during the last legislative session through the Department of Commerce.

**Rep. David Rust:** I see one of the things that is crossed out is to develop a comprehensive plan governing the delivery of early childhood education in the state. That is a pretty significant thing to cross out. I'm not sure I am opposed to that I am just saying that for discussion purposes.

**Chairman RaeAnn Kelsch:** I am not convinced that they got very far even thinking about one. It is probably not a necessarily duty.

**Rep. Karen Rohr:** On the front page we are taking out some of the gubernatorial appointees and we are eliminating the elementary school teacher. I also have concerns about deleting the conduction of a needs assessment. What direction will the council take if they aren't seeking out the needs?

**Chairman RaeAnn Kelsch:** The biggest reason why is if you are not going to develop a statewide comprehensive plan you probably don't need those two individuals on there. This came about per federal law and there were certain individuals that needed to be on the council and some were added by this committee or the senate. Rep. Hawken felt that if you are not going to develop a statewide program then you probably don't need those two individuals on there.

**Rep. Karen Rohr:** It seems that we are going to have an early childhood education program.

**Chairman RaeAnn Kelsch:** I think if you would have left number 5 in there then that would be the assumption. I think the way it is written now is that they bring forward recommendations and findings but don't develop the plan.

**Rep. Karen Karls:** Are we to assume then that this council just goes away after 2 years or it is reappointed?

**Chairman RaeAnn Kelsch:** The council is a federal mandate.

**Rep. Karen Karls:** Is there a way to get a listing of who is on the council?

**Chairman RaeAnn Kelsch:** We can get that. It is unyielding and very difficult council. I think that is one of the reasons that their vision needs to be redirected.

**Rep. Brenda Heller:** I would just like to see that part of federal law that lays out the prescription for this council and who has to be on it.

**Chairman RaeAnn Kelsch:** It is in the federal Head Start law. We had copies of this during the last legislative session so it would be in the record for HB 1400. You can also go out and look at the federal Head Start law and it should state in there the mandated council members. It is pretty much made up of what is on this list because we had to put it into law during the last legislative session.

**Rep. Brenda Heller:** Could somebody get that for me?

**Chairman RaeAnn Kelsch:** Yes we are going to get that.

**Rep. David Rust:** Does this committee have 21 members on it?

**Chairman RaeAnn Kelsch:** That is one of the problems and that is why Rep. Hawken said if you are not developing the plan we need to put people on it that are more uniquely suited to serve on the commission and give them a more pointed direction. I don't think the governor minds losing a couple of appointees. We have a motion on the table.

*Voice Vote:* motion carries.

**Chairman RaeAnn Kelsch:** We have the amendment from Rep. DeKrey. This is dealing with Steele-Dawson and they were a reorganized school and whether it was calculation error or something else regarding their unobligated fund balances.

**Jerry Coleman - DPI:** I'm guessing but it sounds like it is an amendment to reinstate some funding for Kidder County School District.

**Chairman RaeAnn Kelsch:** It would be about 86,000.

**Jerry Coleman - DPI:** I think in the first year of the current biennium they had too much money in the bank and through the ending fund balance offset they lost 80,000 in state aid funds and I think they are asking for forgiveness from that.

**Chairman RaeAnn Kelsch:** But they knew that it was going to happen or there was potential that it could happen, correct?

**Jerry Coleman - DPI:** They should have known.

**Vice Chair Lisa Meier:** How many other districts had too much money in the bank where this occurred?

**Jerry Coleman - DPI:** As a round number maybe 10 or 12. I know in this current school year, and every year, we always seem to come up with some districts. I think the number is probably about a dozen school districts each year that are subject to that offset in varying degrees. Some have all of their state aid taken away and that is because they have a lot of other sources of income. Probably through budgeting, others like to carry over as much as they possibly can so flirt with that 25%.

**Vice Chair Lisa Meier:** That number is going up each year isn't it?

**Jerry Coleman - DPI:** I think it is higher than it used to be.

**Chairman RaeAnn Kelsch:** The way the amendment is written is it would also apply to those other districts that experience the same reduction due to their unobligated fund balances.

**Jerry Coleman - DPI:** I haven't seen the language in the amendment.

**Rep. John Wall:** Is there any way Steele-Dawson could have avoided this situation? Could they have foreseen what was going to happen?

**Jerry Coleman - DPI:** I think they should have known that they could run into a problem. I don't know if they had circumstances that excluded them from taking action. The ending fund balance offset has been around for 20 years.

**Chairman RaeAnn Kelsch:** We have tweaked it a bit but it is still there.

**Rep. Phillip Mueller:** If we pass this through the system we know of 86,000 that will go out to a school. Do you have any idea what the total amount of that might be?

**Chairman RaeAnn Kelsch:** Do you think it is written tight enough that it is just for them?

**Jerry Coleman - DPI:** I think it is written tight enough because it says a reorganized school district. We have to be certain on what we mean by reorganized.

**Chairman RaeAnn Kelsch:** I think that is how they wrote it.

**Rep. David Rust:** I'm guessing that is true because it says reorganized on or after July 1, 2008. Anybody that is before that time period is excluded.

**Rep. John Wall:** Is the reason this is included in SB 2150 rather than a separate bill where we could have heard testimony?

**Chairman RaeAnn Kelsch:** I don't know if the bill deadline had been missed but Rep. DeKrey brought this to me, told me what the situation was, and asked if we could consider an amendment like. I don't know if it was brought to his attention to late or what.

**Vice Chair Lisa Meier:** I would move a do not pass on the amendment.

**Rep. Joe Heilman:** Second.

**Rep. David Rust:** If we don't do anything it would be a dead issue.

**Chairman RaeAnn Kelsch:** We would rather it be a dead issue and not consider the amendment?

**Rep. David Rust:** That in my opinion would be the way to go with it. If we don't take it up it is a dead issue. When you don't do something, you have done something.

**Rep. Joe Heilman:** I withdraw my second.

**Vice Chair Lisa Meier:** The only thing is that we talked about the amendment. I would rather just move a do not pass.

**Rep. Phillip Mueller:** Second.

**Rep. Karen Karls:** One this I should say about Steele-Dawson is that county is what you would term economically disadvantaged. I don't know if they have a reserve on top of this 86,000.

**Chairman RaeAnn Kelsch:** Here is the issue. When Steele-Dawson went through the reorganization it is written out in law what they have to do and they've known that. The ending fund balance law has been on the books for 20 years. For one reason or another they made an error or whatever. This committee has more so been of the mind that if an error was made we don't help out because we would be helping school districts all the time that made an error in state law. It is up to this committee to decide whether you want the amendment or not. For errors such as this we typically don't bail the school district out.

**Vice Chair Lisa Meier:** That is exactly why I moved a not pass. There are 11 or 12 other districts out there that have the same situation occurring and in fairness to those other districts we are not doing that.

**Rep. Karen Rohr:** If we make this decision, who is ultimately going to be impacted by this? The students? The parents?

**Chairman RaeAnn Kelsch:** My guess is that it is the school district that will be impacted by this for not following state law.



*Voice vote:* Motion carries.

**Chairman RaeAnn Kelsch:** Rep. Mike Schatz has an amendment to explain to the committee.

**Rep. Mike Schatz:** This is the same as the bill we tried to pass and it is an amendment now on SB 2150 which would require world history as a graduation requirement. I think I did a poor job of explaining that when we were on the floor. After talking to a number of people they didn't quite understand that the electives are still available to all the students. They thought this would prevent them from taking the electives. I believe that everybody in this room has taken world history. I think it is important that we keep it. We changed it but I think world history needs to be an element of graduation. I was going to make a comparison with algebra. Algebra is an abstract way of thinking as well. When people first see it they wonder when they will ever use that and some of us say we never have used it. That doesn't mean we don't want to have it. World history is along those same lines. It is one of those things I think we need to have.

**Rep. Karen Rohr:** I agree because I have done a lot of research myself on this issue and I found out that North Dakota is one of maybe 2 or 3 states has put world history alongside sociology and psychology as an elective and basically they put history in with the other histories such as U.S. history and government and that is what the students select their credits from. I agree with Rep. Mike Schatz.

**Rep. Lyle Hanson:** I think world geography is probably more important than world history. If you ask somebody where Libya is at they couldn't tell you. You probably would have got that from world geography but you wouldn't get that in world history. I am opposed to the amendment.

**Rep. Mike Schatz:** As a world history teacher I can tell you they would have. I think your situation with world history is you are teaching two things at once. You are teaching current events and how this part of the world came to be. At the same time if you are in that section of the world you are talking about I think current events and world history go hand in hand. They parallel each other. Geography is part of world history. It has to be. I think the fears about world geography are included in world history.

**Rep. Phillip Mueller:** I like world history so doesn't misconstrue the statements but I think one issue has to deal with the moving target we have created for the scholarships. When the house floor has determined what they want to do with an issue, I have some issues with coming through the back door and slipping it in. I appreciate Rep. Mike Schatz's discussions with other house members but the fact is we are basically going to do what the house floor told us not to do with the adoption of this amendment.

**Rep. Mike Schatz:** As far as the scholarship, I believe on page 5 of the amendment it put the date back in of 2013 which was one of the early concerns that if we put this back into law that we would be eligible for a scholarship. There would be a leeway period. As far as Rep. Phillip Mueller's concern about having voted on it once and I was thinking about that too. There will be a lot of things being put in and taken out of every education bill and every bill here. I am trying to be as upfront with this as I can. To me it is very important. I know it

won't go away. I think we need to look at it again and they need to know about it. I will be its advocate for a long time.

**Vice Chair Lisa Meier:** Where does it put it at 2013 in the bill?

**Rep. Mike Schatz:** I think it was page 36, line 21 replace section 21 with section 12, 14, 16, and 24. That is where it is. I will move the amendment.

**Rep. Karen Rohr:** Second.

**Chairman RaeAnn Kelsch:** Further discussion?

*Roll call:* 5 yeas, 10 nays, 0 absent. Motion fails.

**Chairman RaeAnn Kelsch:** We have amendment 07019. It is the sunset. We thought we had it the first amendment that we had to sunset the professional development committee and we did not have it in there. This needs to be put in there to amend the professional development committee so that the committee sunsets.

**Rep. David Rust:** I move the amendment.

**Rep. Corey Mock:** Second.

**Chairman RaeAnn Kelsch:** This repeals chapter 15.1-18.2.

*Voice vote:* motion carries.

**Chairman RaeAnn Kelsch:** Let's talk about the alternative middle school program. We touched on it but we really didn't discuss the program. What are your thoughts? On page 25 what it does is it sets up the factor for the alternative middle schools.

**Rep. Phillip Mueller:** I have a note here that says it would kick in the second year. What is that about?

**Chairman RaeAnn Kelsch:** The 0.2 kicks in the second year of the biennium.

**Rep. Brenda Heller:** What did we determine the costs would be to keep this going after that kicked in?

**Chairman RaeAnn Kelsch:** I don't know that I actually saw that number. They put the 400,000 dollars as seed money to get started now. It is in the DPI budget bill and it is 461,000 dollars. The factor goes into effect next biennium. Do we know roughly what that will cost? It will go out based on the foundation aid payment. There will be no increase it will just be part of that formula.

**Jerry Coleman - DPI:** That is correct. I believe that is why it was treated as a grant program initially to get it started so we had some idea of what were getting in to for the next biennium.

**Rep. Dennis Johnson:** In Devils Lake we have an alternative high school. I think of the poverty level and the students that they work with to find a level of help. They really have been pressing for an alternative middle school to allow these students to get some type of an education. There is a need to get these students educated.

**Rep. Brenda Heller:** Rep. Dennis Johnson was it your school district that had the extra funds available for the preschool program?

**Rep. Dennis Johnson:** I believe there were 35 school districts that had extra money for preschool.

**Rep. Brenda Heller:** I guess we talked that this is probably a good program but my point is when you start a new program it is nice to know approximately how much. When you put weighted factor in it and you put it in the formula there has to be money to cover it. Even if you guess at a number of how many will take part in it, there has to be the money there to furnish the schools that do take part. There has to be a number.

**Vice Chair Lisa Meier:** I have a question for Jerry Coleman. We talked about what districts are doing this. Can you talk to us a little about that again?

**Jerry Coleman - DPI:** It was Fargo School District and I believe someone from the Beulah and Hazen area that come up and testified for this. The concept was a school within a school model. Fargo was taking at most 15 student would be involved in this program at any one time. They would get in and out as needed. Because there were so many unknowns with that, it was decided that it was better to do a pilot to get an idea of the kinds of programs. In terms of an estimate we spend in our alternative program with students 16 and over about 670,000 per year. If we opened that to the 6, 7, and 8 grades, the best guess would be double that.

**Chairman RaeAnn Kelsch:** So it would be about 1.3 for the middle school and about 1.3 for the high school?

**Jerry Coleman - DPI:** That might be a very high number but in terms of getting some kind of scope that what was spent on the alternative high schools.

**Chairman RaeAnn Kelsch:** It wouldn't be that the 0.2 would go out to all school districts; it would be only those school districts that had set up a middle school program and have the number of students.

**Jerry Coleman - DPI:** That would be correct.

**Rep. Mark Sanford:** I would think that the number would be substantially less in the middle school than the high school. High school students typically have dropped out or have transferred from a high school or haven't experienced success. These students don't have that alternative. I look at this as a good chance to provide them with the boost of success at an age before they get to the time in their life when we can make a difference. It may be the last best chance. I can't imagine that the way middle schools are organized around the

state that you would have as many involved. I think Fargo's estimate of 15 for a whole district is probably pretty good.

**Rep. Karen Karls:** What I'm trying to get my head around here is the school within a school. What type of teacher staffs that? Is it a classroom teacher or is it a behavioral teacher? I would assume that they would go in and out of there to attend regular classes.

**Chairman RaeAnn Kelsch:** It is something relatively new to me.

**Doug Johnson – NDCEL:** How I would see it structured in the middle school would be that they have to have those students in a classroom setting for 3 hours a day. Those students would be getting 3 hours of intense instruction. I believe part of that would be some support systems. That would be the process. They would be out for about 3 periods a day in this setting and then they would go to the other courses they would take for the rest of the periods. They would get intensive training in those courses. It would be a program where the kids come in and out so the student that might be in there might be in there for 3-6 weeks. Once we get them up to speed we could move them out. It would depend on the need for the kind of services to make sure they are successful in school.

**Rep. Brenda Heller:** In Mrs. Wald's testimony she referenced that these kids would be pulled into a different room and then they would be shown a video that teaches them through a service called ODYSSEYWARE. How do we know what they will be taught, who's watching them, if the guidelines meet state standards, and what if every school uses a different service? How do you keep track of what those kids in that room are going to be taught?

**Doug Johnson – NDCEL:** That is an excellent question. Many school districts are currently using some of those software programs that are out there like ODYSSEYWARE. Two things that are happening is if the district would use that, at least with the ODYSSEYWARE and what is happening now with the centers for distance education is that we are setting up a system where they are working with those companies to make sure that they are meeting state standards. The students that would be taking the ODYSSEYWARE course during that time would be in the gap that puts them behind the students in the regular classroom. This enables them to go at their own speed and perhaps catch up more quickly than they would in a regular structured classroom. That would be the intent.

**Rep. Brenda Heller:** So the child isn't learning in the regular classroom and you take them out and put them in this and then you start showing them this video. I cannot imagine that the video would be in the same spot, covering the same material that the classroom teacher is covering. I don't see how that would work. What if the classroom teacher is talking about how to figure percentages and the ODYSSEYWARE teacher is talking about adding? How do you put them back in the classroom and expect them not to be lost? You can leave the classroom for 2 days and be lost if enough happens.

**Doug Johnson – NDCEL:** I'm not too familiar with the software programs. By some assumption they would go through an assessment value of where the child's weakest spots are and that is what they will focus on. If it is mathematics and a child has a weak spot

when it comes to fractions that is what the ODYSSEYWARE would focus on. While class is going on in the other area, they are going to catch them up in the area that they are lacking in skill level. It is a change of structure on how that child studies and works with the parents.

**Rep. Karen Rohr:** Would it be fair to state that maybe the child shouldn't have been put into that grade? Maybe the previous grade's teacher moved that child up when he/she shouldn't have.

**Doug Johnson – NDCEL:** That is possible but by the time the child gets to that level when they are struggling, it puts them in a higher risk of dropout by the time they reach 16.

**Rep. David Rust:** A number of years of years ago the school district I was in started the vocation of basic skill building. It basically was for students who didn't qualify for special education services or title 1 services and yet they were not succeeding in the classroom. Actually we found that program to be extremely beneficial. Like many federal programs, this was a state program that started at 75% funding and now they get so very little that it hardly worth the paperwork. Yet the program has been really successful especially for students in grades 9-12. The proof as I see it is the number of students that come back and say if it hadn't been for that program that they wouldn't have made it through high school. Is this similar to kind of a resource room where kids can go to get help in those areas that are going to be crucial to them in moving along?

**Doug Johnson – NDCEL:** I think your analogy to the program are in fact very similar but they way I believe that this structured in the 2013 proposal that they would have at least 3 hours a day that they would be in this program. I believe that they would be able to come back to those additional support systems as well. It depends on the individual school and how they set that up.

**Rep. Karen Karls:** So we are not talking about kids with behavior problems, we are talking about kids that are just struggling to learn the curriculum.

**Doug Johnson – NDCEL:** Yes you are talking about kids that are having difficulty academically. Many times at the middle level those academic struggles turn into behavioral problems. I would not say that because there are behavioral problems in place that they have to have an academic issue as well but I do think many times they go hand in hand.

**Rep. Bob Hunskor:** How many middle schools are there in North Dakota that would qualify?

**Doug Johnson – NDCEL:** I do not know that answer at this point in time. Conceivably I can see the larger school districts that might have interest in it but I also see a real need for help at the smaller districts. What really sticks in my mind is at our fall conference this year we brought in an expert from Washington middle school. Interestingly enough we had many superintendents and principals from the small schools that came in and said this was a problem for them. The need is there.

**Chairman RaeAnn Kelsch:** Have these proven to be successful? I'm vaguely familiar with it but I don't have a lot of conceptual knowledge of this program. Is it something that has been successful in other states? Do we know if it does get those kids up to speed and do those kids actually stay in the system?

**Doug Johnson – NDCEL:** I don't have anything that I have done any research on lately. If you look at many of the inner city schools that have restricted and how they have helped those kids move along, basically what you are seeing is an alternative school to help those kids get through.

**Rep. Mark Sanford:** What I read in that area was what I called the 4 keys of things that make a difference. One of them is time because if you want to make an investment that will pay off in the long run you invest in more time. Another thing that seems to be there is early childhood. Obviously a good teacher is critical in demonstrating in the classroom. The next one is students and the last one is tutors. There is a huge element of tutoring because you are in smaller groups working on study habits and attitudes. One of the biggest opportunities there is for a child to experience some success. When we were working on this we weren't all that concerned specifically on curriculum. I would maybe look at a study on tutoring.

**Chairman RaeAnn Kelsch:** What is the committee thinking?

**Rep. Karen Karls:** I have a question for Rep. Mark Sanford. The model you described sounds similar to Sylvan Learning Centers. Would this in any way compete with those facilities?

**Rep. Mark Sanford:** There are some districts that have made the decision to contract with Sylvan on the basis of the federal law where you need to be successful with what you are doing in-house. If you aren't then you have to try something different. I think the difference is that this is in-house, it is right here, there is no transpiration, there is an ongoing relationship, and even when a child might reach the discharge time frame, there still is that capacity to go back to that.

**Chairman RaeAnn Kelsch:** Sylvan Learning Centers would continue to provide the tutoring services but this isn't necessarily a tutoring service. This is an in-the-moment, in-house service. Tutoring would still go on and the tutoring requirement is to meet annual progress for No Child Left Behind.

**Rep. Phillip Mueller:** Our decision is to leave it as is or to take it out. Is that correct?

**Chairman RaeAnn Kelsch:** That is the question before the committee. Is it something people like or don't like? It was one of the issues we didn't really talk about. We walked through it during the discussion of the bill but we needed to come back to it because I couldn't get a read on the committee as to what your thoughts were. That is why I wanted to have it as a discussion.

**Rep. Dennis Johnson:** Are you looking for a motion to leave the bill as is?

**Chairman RaeAnn Kelsch:** If there is no motion it stays the way it is as it came over from the senate in that section. I just didn't know where the committee stood on it. I hadn't heard anything about it and I am not sure how I feel about it. I just thought I would throw the discussion out there to the committee. If you do nothing it stays in the bill.

**Rep. Karen Rohr:** I don't support the concept of this middle school alternative education because I didn't hear any supporting data and it was already admitted that there wasn't any research done on it. I can't make a decision because of lack of information.

**Vice Chair Lisa Meier:** I am curious about the appropriation as well.

**Chairman RaeAnn Kelsch:** It is a grant right now and what the senate did is remove one thing to get this as a grant right now and then they delayed the start. I'm assuming the reason they did that was to get some data and information as to whether it would work. It wouldn't start until after next legislative session.

**Rep. Dennis Johnson:** I would support this concept because seeing what is happening in Devils Lake with the alternative high schools and what they have been able to do with pre-K is they can identify those students in first and second grade that will make it in high school or not. Any help we can give at the middle school level will be greatly appreciated.

**Rep. Joe Heilman:** I believe the Superintendent of Fargo Public Schools supports the concept and from what I understand is I think this probably a more critical time in the students' development. I'm not worried about them missing content because if they are having large academic challenges they are missing content anyway. I support trying it. If we don't see the results we want it could always be revisited later.

**Rep. Karen Karls:** Doug I can envision how this might work in a large school district but is this factor of .20 going to help any of the small schools that might want to start a program like this? What is the minimum sized school that this would work with?

**Doug Johnson – NDCEL:** I haven't looked at see what the dollar amounts would be and how that would generate or how that would come out for the total amount. I could conceivably see that they would look at that weighted factor because it is .20 times the foundation aid payment. They might have a teacher or two that they would pull out to do that for one period a day or so on. I do believe the bill as presented right now does say that we have to have 3 hours concentrated. They might have to work with a neighboring school district to do something and share that teacher. I think it is workable and it will take a little creative effort to see how it will work in the smaller school districts. I think the other comment that was made too was in the smaller school districts you have the ability to make responsible changes.

**Rep. Brenda Heller:** I have a problem with the whole thing because it is a major policy addition and it is growing K-12. We didn't have a hearing on it and we just had Mrs. Wald telling us why she thought it would be good. I don't disagree with her because I have worked with Mrs. Wald and actually what I ended up doing in that school was a lot of what this alternative education would do. What I do disagree with is starting this without a hearing and not knowing for sure how much it would cost. What is in front of me says over

a million when it is fully implemented in Mrs. Wald's testimony she indicated that with her size of school a teacher would not be used but a para-educator would be used. She said she doesn't have enough staffing to pull a teacher from a classroom. I have a hard time putting this into this bill without a hearing because we aren't getting any opposition and we didn't hear it.

**Doug Johnson – NDCEL:** How this came about was that bill was heard in the morning and then they did committee work on it and the amendment was made and there was support for that to put it into 2150. There was a hearing that was held on this as part of the senate education's hearing process and they did remove the principal mentorship program out of that and that is how they funded it. When we go back and look where we are at in terms of priorities, alternative middle schools have been on our position statements for many years.

**Rep. Brenda Heller:** That is how it is funded for now. It is only 460,000 dollars. We really have to look at full implementation dollars and that is right around the corner. I am not saying this isn't a good idea but it come out to be a million dollars here and a million dollars there. We all have to be informed of what it is going to cost.

**Chairman RaeAnn Kelsch:** It was in SB 2316.

**Rep. Bob Hunsakor:** This is going to be revisited again in 2 years. Can small schools get this through an REA?

**Doug Johnson – NDCEL:** I believe they could but that is my opinion. I could visualize how that could happen but it would require those school districts to perhaps not have a program that would be every single day. They might have to share it but I think it would be possible.

**Rep. Bob Hunsakor:** We are taking kids in grades 6, 7, and 8 at a very vulnerable age. They are making decisions about school and whether they want to keep on. If we can keep a handful of those students in school, graduate them, and help those kids lead productive lives, then how do you put a value in dollars on this? These are young people with their futures ahead of them. It seems like something we have to get involved with to see if it will work or not.

**Rep. David Rust:** Amendment 07026 has to do with the school construction projects loans. Essentially what we were talking about was a mechanism for schools that are either in an equity basis or in a rapidly increasing reenrollment basis can use to be able to borrow money to build a school. On page 2 under the current system the first thing is that there are some thresholds. For instance for a school dist that is really needy they can borrow up to 12 billion. In section 5 if they are less needy it goes from 7 to 10 and the ones that are probably below the 90 percentile it would go from 2.5 to 4 million dollars. Essentially it ups the amount of dollars they can borrow. The B under 4, the B under 5, and the B under 6 changes the point basis up about a half of a percentage point which lowers the amount of interest you would have to pay on that loan. If you need something beyond that Rep. Mark Sanford can fill you in and Anita Thomas can also fill you in.



**Chairman RaeAnn Kelsch:** Rep. David Rust is this going to help those school districts that need to take out loans in order to increase their building size or in the case of one school district in particular that wanted the state to give them money; will this help them out and be a good option for them?

**Rep. David Rust:** That school would still like to be given that money I'm sure. What this does is it raises the dollar amount they can borrow and it lowers the interest rate on what they borrowed. It doesn't give anybody a school.

**Rep. Mark Sanford:** I think the question is whether the buy down is sufficient to make it competitive with the market and that is not clear yet. About 5 or 6 years ago the plan provided for reductions down to 1% and the range was tighter. I don't know why it was changed a few years ago. When you look at the history alone there were several times when people borrowed at 1%, 2% and 3%. In the long term it will help us get back to when we had a system that was providing lower interest rates. The only downside is when you borrow at lower rates you are making less interest for your lending institutions and you aren't putting as much money back in.

**Chairman RaeAnn Kelsch:** This section of code is current law and it is making revisions to the current law. The funds that are used are part of the old coal severance fund and it is used as a loan fund and is repaid. School districts have to repay it. Currently there is 21 million dollars that is unobligated that could be borrowed and used under this program.

**Rep. John Wall:** I will move the amendment.

**Rep. Dennis Johnson:** Second.

**Chairman RaeAnn Kelsch:** Questions? We will try a voice vote.

*Voice vote:* motion carries.

**Chairman RaeAnn Kelsch:** I have an amendment that isn't in written form. This is an amendment that came from Rep. Carlson. I am going to read through it to you. There have been a number of discussions this session about what we should do about the property tax relief bill that was passed during the last legislative session. Since those dollars run through the funding formula or are utilized based on the funding formula, there is interest in developing a committee to look at this issue over the interim based somewhat on the commission on education improvement except that it is more of a hybrid committee. It would be called the Education Funding and Taxation Committee and it would consist of the following 9 voting members: the chairman of the House Education Committee or the chairman's designee, the chairman of the House Taxation Committee or the chairman's designee, the chairman of the Senate Education Committee or the chairman's designee, the chairman of the Senate Taxation Committee or the chairman's designee, and 5 legislators appointed by the chairman of the Legislative Management and then following 5 nonvoting members: the Tax Commissioner or the commissioner's designee, the Superintendent of Public Instruction or the superintendent's designee, a representative of the governor selected by the governor, and two school district business managers appointed by Legislative Management. The chairman of the Legislative Management shall

select one from among the voting member to serve as the chairman of the committee. The committee shall establish its own rules of operation and procedure. The committee may form work groups, task forces, and subcommittees to seek additional information and outside expertise. Each member of the committee and any individual requested by the chairman to serve on a work group, task force, or subcommittee is entitled to receive reimbursement for actual and necessary expenses incurred in the manner as state officials. Each member of the legislative assembly who serves on the committee is entitled to receive per diem compensation as provided for in section 54-03-20. If the members attending meetings are performing other duties as directed by the chairman then the committee shall examine short-term and longer-term state and local involvement in funding elementary and secondary education. The committee shall report its findings together with any legislation required to implement the recommendations to the 63<sup>rd</sup> legislative assembly. The purpose behind it is if we want to basically say we are going to continue to fund education at the levels that we currently are which brings us to the 70% and is fully coming through the foundation aid formula, there is going to have to be some changes and the formula is going to have to be looked at and scrutinized. It may be that this committee meets and cannot come up with a resolution for whether or not you can take that property tax reform money and use it in the formula. Currently we have looked at a couple of runs and potential runs and what this would do to the formula and there is certain school district in the eastern part of the state that would lose 20 million dollars if it is done exactly the way it is today. It is an issue that needs to be looked at and not by an interim committee itself per say because of the size and in talking to Rep. Carlson, a few members, and even the governor's office about this the thought was that the commission worked well and because it was a smaller group it was able to work a little bit better. We did not list as the nonvoting members the NDCEL, School Boards Association, and the NDEA. Clearly they will be at the table and will be used for their expertise. It probably turns out to be more of an education funding or financing aspect even more so than the property tax relief but we have to make sure that we have the tax people at the table so that we have a better understanding of how the taxation part of it works. I talked to about the five legislators appointed by the chairman of Legislative Management and clearly you have to have minority members on the committee and that would be the intention and that the 9 legislators would be the only voting members and the rest would be advisory in nature. When I showed this to Rep. Carlson he said this was in the spirit of what it was we were working on.

**Rep. David Rust:** Would you repeat the temporary name?

**Chairman RaeAnn Kelsch:** It is a temporary name. It is the Education Funding and Taxation committee. We aren't sure what to call it. It isn't something really clever and it doesn't have to be as long as it gets the job done. The funding for this would be absorbed through legislative council. It doesn't require any additional funding.

**Vice Chair Lisa Meier:** I will move the amendment.

**Rep. John Wall:** Second.

**Chairman RaeAnn Kelsch:** Discussion?

**Rep. Phillip Mueller:** Would it be safe to say that this group's focus would be pretty narrow?

**Chairman RaeAnn Kelsch:** It would be safe to say however if there were issues that came up that maybe also need to be addressed then they would be. The focus of this is not to be looking at curriculum, content, standards, or things like that. If there were issues that came up we would address those. Depending on what happens with HB 1047 and we also have this other issue of imputed taxable valuation and rapid growth, those would probably all fall into somewhat of a tax and education funding issue. I can tell you that Rep. Carlson wants the committee to be focused and the people that understand the issues the most and are willing to work. This committee will probably be meeting once a month.

**Rep. Karen Rohr:** This is for K-12 only and it addresses property taxes and the funding formula. Is that correct?

**Chairman RaeAnn Kelsch:** Yes. The biggest issue we have is the way that we gave the property tax relief out and whether we are able to sustain that or are we better off saying that we are going to fund 70% of education and figure out how we do that in the formula. It has been hard and there have been people looking at this since the session began and really don't have enough time to dig into the formula. It is an important issue and we need to work on to make sure it works.

**Rep. Karen Rohr:** Because of the complexity of it all, when it gets to the formula where they have the .04, the committee will be working off of this document if it is passed?

**Chairman RaeAnn Kelsch:** You would be working on the current formula as it sits and then determining if there needs to be a different factor for equity, different maximums and minimums, and all those things that come into play when you are dealing with the formula and when you are looking a dumping a lot of money into the formula. We will try a voice vote.

*Voice vote: motion carries.*

**Chairman RaeAnn Kelsch:** The next amendment is 07020. This is the amendment for consideration for the teacher effectiveness.

**Rep. David Rust:** Is this different from what we have seen in the past?

**Chairman RaeAnn Kelsch:** It is. There were a couple of clean up amendments on this one.

**Anita Thomas – Legislative Council:** We did not list every type of teacher as we did in the 13 amendment.

**Chairman RaeAnn Kelsch:** The definition is what is defined in code.

**Anita Thomas – Legislative Council:** On page 3 under the acceptance of the plan it is based on those that have the greatest potential to increase teacher effectiveness through

supplemental compensation. Then on section 20 we reworded subsection 1 to more accurately reflect the amount of money and how it would be calculated.

**Chairman RaeAnn Kelsch:** It has a couple different tweaks to it.

**Rep. Phillip Mueller:** Looking on page 3 we have a factor of .05 and we also reference 2,000 dollars on the bottom. How do we know that they will match up? How do we get to that 2,000 per teacher?

**Jerry Coleman – DPI:** From what I understand there would be a minimum that any district could get so there would be a secondary calculation and it would be the number of teachers for the school district or the number of teachers involved in the plan times the 2,000 dollars would be the minimum they could get. They would be guaranteed 2,000 a teacher.

**Rep. Phillip Mueller:** So really the .05 is somewhat meaningless. Is that correct?

**Jerry Coleman – DPI:** You are correct in that particular instance.

**Rep. Bob Hunskor:** Is it correct that the 5 million the senate took out and put into foundation aid would stay in foundation aid and other funds would be brought in to take care of this?

**Chairman RaeAnn Kelsch:** Yes.

**Rep. Bob Hunskor:** That other fund would also be 5 million?

**Chairman RaeAnn Kelsch:** We may not have it exactly at this factor. I may be 4 million.

**Rep. David Rust:** The amount that the senate took was 7.5 million and put that into foundation aid.

**Chairman RaeAnn Kelsch:** That is correct.

**Rep. Brenda Heller:** On page 2 section 29, what is the review panel?

**Chairman RaeAnn Kelsch:** That is who makes the determination about the plan that the school districts bring forward and they make sure that the plan is viable, meets all the requirements, and is aggressive enough to show that that it is something the school district wants and that it will improve the outcomes. Someone has to review the plans that will be submitted by the school districts. I think in conversations that other states have had regarding this you need to have a review panel that looks at it and is removed from the process itself so they are a little bit more objective.

**Rep. Brenda Heller:** It says the senate took out 300,000 dollars to fund this review panel so is that being put back in?

**Chairman RaeAnn Kelsch:** That would be the total amount that would be put back in regarding the teacher effectiveness. That would all be included in that appropriation.

**Rep. Brenda Heller:** This is singled down and it says that the alternative teacher compensation review panel and contracted program advisor. That is just one item.

**Chairman RaeAnn Kelsch:** I think the reason it was done that way was when it was over in the senate it was divided out and then the senate was able to take those dollars and put them other places.

**Rep. David Rust:** Section 47 sunsets this. Is that correct?

**Chairman RaeAnn Kelsch:** Yes. The purpose is that the legislature should reassess this every session to reassess the effectiveness.

**Rep. Karen Rohr:** I wonder if this should be tabled until we have the results of the committee you were just talking about and how it will be funded and sustained.

**Chairman RaeAnn Kelsch:** The committee that will be dealing with the education financing won't be dealing with teacher compensation because it is how the property tax reform fits into the education funding. They won't be dealing with teacher compensation and they won't be looking at the whole funding scheme of education. It is only as it relates to taxation issues and that is why it is a narrow focus. The purpose is to get that job done. That is not to say that the interim education committee can't study other things as well.

**Vice Chair Lisa Meier:** If this would pass this would probably be something that we would look at in the interim as well.

**Chairman RaeAnn Kelsch:** Their plans would be submitted and you would have some of the school districts that would be on it in the second year of the biennium. Potentially you could get reports as to which school districts were using it. If it is going into the next session you will only have one year of data because it doesn't start immediately.

**Vice Chair Lisa Meier:** I think it would be good to look at this during the interim and see if it is good and if districts really want it.

**Rep. Brenda Heller:** I don't see the problem with leaving it in a study right now because we didn't have a hearing on this issue, we didn't hear any opposition, and it is a huge undertaking. The people who did speak said things like apprehensive, scared, didn't work, there is no evidence of student outcome, it is a moral destroyer, and there is no evidence of success. There are so many unanswered questions. The sustainability of undertaking something like this is quite large and I don't see with what is wrong with studying this during the interim. I feel like I don't have enough information on this.

**Chairman RaeAnn Kelsch:** I am chuckling because I find it ironic, and no offense to the Democrats in the room, but this has always been a Republican initiative. This is what the Republicans have always wanted. It is always the Democrats that come up with the same

arguments that Rep. Brenda Heller just had. I found it to be kind of ironic how things come around and go in cycles and go back around again. It is just kind of ironic.

**Rep. Brenda Heller:** I guess when I asked what the sustainability of this was everybody kept saying that it is 5 million but if you look at the research and how it all played out I guess I am not into just throwing money around like that when there is no evidence and when there is apprehension and people don't know for sure.

**Chairman RaeAnn Kelsch:** I think there is some truth to that because the change for this is going to be hard. I think the commission put in a great deal of work in coming with a plan for it. I don't know if a study during the interim is going to work. I don't know if there are any real benefits to a study from the standpoint that I think you are going to see that it is successful in some states and not successful in other states. I think the success in North Dakota is going to be different than other states just because we have a different demographic.

**Rep. Mike Schatz:** I don't really see teachers in section 29. I see members of the North Dakota Education Association. Is it 30% of our teachers that are nonmembers? So those people aren't being represented. Another group that isn't being represented is the parent organizations. I think they have some input into teacher compensation. Those are my concerns

**Chairman RaeAnn Kelsch:** When Rep. Brenda Heller was talking about sustainability, we are currently paying teachers' salaries on the ladder. They are currently being paid by school districts. That money is already being sent out. As I see this if you take teachers off the ladder approach then the funding is done through K-12 education. I think you look at this as you are paying for those teachers' salaries anyway. This is a program to start to try to get them off of the ladder approach to salary pay. I would see it as not increasing but as being absorbed into the current funding formula and the way that we are currently paying teachers. I think that is the ultimate goal because once you remove those teachers off the salary ladder that is what would happen. That was the impression that I had.

**Rep. Phillip Mueller:** I personally have reservations too and primarily the requirement for showing student growth is addressed but not to the extent that I would like to see it. If we want to try to do something different I don't think we can just continue to do what we have been doing. I don't think I could promise anybody here that this is going to be the bullet that does that but I would say that if we continue to do what we have always done we are going to get what we have always got. I'm pleased to see the sunset in it. I think it is a good amendment. You made reference earlier and I'm sure you wanted a response but the group that I serve proudly with had often times been about what the professional organizations have been about. Up until this point we had never heard from them and this is kind of an idea that is good.

**Rep. Karen Karls:** I have been thinking about this alternative middle school concept on page 25. Although I like the idea I just don't think we have enough information on it. Would it be possible to turn that into a study and look at it in the interim?

**Chairman RaeAnn Kelsch:** You can certainly make that up as an offer.

**Rep. Karen Karls:** So moved.

**Rep. Mike Schatz:** Second.

**Rep. Dennis Johnson:** I am going to have to resist this. There are people involved in these programs and they have value. It is an important project and I want to see it go forward.

**Rep. Phillip Mueller:** I share Rep. Dennis Johnson's concern about that. I don't understand that if we have decided it has worked in the high school level how is it that we think it wouldn't work in the middle school?

**Rep. Joe Heilman:** I also share the sentiments. They know what they want to do and they just need to go ahead. I don't think there is going to be a lot of findings to study other than what we know now. I don't think the impact in size monetarily is really huge so I'd just as soon try it and then if we need to revisit it in two years we have a live study to work on.

**Vice Chair Lisa Meier:** I think the study is a good idea. I think in Bismarck right now with the three middle schools we actually are doing some of this and I think it would be good to look at what we are currently doing and then assess where the needs are.

**Chairman RaeAnn Kelsch:** We will take a roll call vote.

*Roll call:* 7 yeas, 8 nays, 0 absent. Motion fails.

**Chairman RaeAnn Kelsch:** I would like to offer an amendment on the amendment for consideration. On page 3, number 2, the wording isn't exactly correct because that is the day they can start receiving the plans so that would be the initial date that they could begin receiving the funds. On section 31, B, change that factor to .04. On the top of page 3, 2A which is amending section 29, letter A doesn't read exactly correct because that is the first date that they can receive the plans and this makes it look like it has to be received by April 1, but that is the first date that they can receive them. In section 30, 1B, the factor would change it to .04 to start it a little smaller.

**Vice Chair Lisa Meier:** I move the amendment.

**Rep. Karen Karls:** Second.

**Chairman RaeAnn Kelsch:** We will try a voice vote on that amendment to the amendment.

*Voice vote:* Motion carries.

**Chairman RaeAnn Kelsch:** Now we have amended 07020 before us.

**Vice Chair Lisa Meier:** I would move the amended amendment.

**Rep. Phillip Mueller:** Second.

**Chairman RaeAnn Kelsch:** Committee discussion?

**Rep. Karen Rohr:** For the record I am not going to support the plan because I think it is too soon. I don't believe that they are ready for this. It doesn't have a peer review component. I don't think it has a lot of depth because it doesn't focus on student outcomes.

**Chairman RaeAnn Kelsch:** Seeing no further comments we will take a roll call vote on the amendment.

*Roll call:* 10 yeas, 5 nays, 0 absent. Motion carries.

**Chairman RaeAnn Kelsch:** We now have voted on all of the amendments.

**Rep. Joe Heilman:** I move a do pass as amended.

**Vice Chair Lisa Meier:** Second.

**Chairman RaeAnn Kelsch:** And rerefer to appropriations. Committee discussion? We will take the roll on a do pass as amended and rerefer motion on SB 2150.

**11 YEAS 4 NAYS 0 ABSENT**  
**Rerefer to Appropriations**  
**RaeAnn Kelsch**

**DO PASS as Amended**  
**CARRIER: Chairman**



Date: 3-21-11  
Roll Call Vote #: VOICE VOTE

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2150

House EDUCATION Committee

Check here for Conference Committee

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

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt  
Amendment

Rerefer to Appropriations  Reconsider

Motion Made By REP. RUST Seconded By REP. ROHR

Representatives	Yes	No	Representatives	Yes	No
Chairman Kelsch			Rep. Hanson		
Vice Chairman Meier			Rep. Hunsakor		
Rep. Heilman			Rep. Mock		
Rep. Heller			Rep. Mueller		
Rep. Johnson					
Rep. Karls					
Rep. Rohr					
Rep. Rust					
Rep. Sanford					
Rep. Schatz					
Rep. Wall					

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

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

**VOICE VOTE TO STRIKE SECTION 9 AND  
GO BACK TO THE ORIGINAL LANGUAGE.**

**MOTION CARRIES**

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2150

Page 2, remove lines 21 through 30

Page 3, replace lines 1 through 7 with:

**"SECTION 2. AMENDMENT.** Section 15.1-09-58 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-09-58. ~~Prekindergarten program~~Early childhood education - Authorization - Support.**

The board of a school district may establish a ~~prekindergarten~~an early childhood program and may ~~receive and expend any state moneys specifically appropriated for the program, any federal funds~~support that program with:

1. Local tax revenues, other than those necessary to support the district's kindergarten program and the district's provision of elementary and high school educational services;
2. Federal moneys specifically appropriated or approved for the program;  
~~and any gifts~~
3. Gifts, grants, and donations specifically given for the program."

Renumber accordingly

Date: 3-23-11  
Roll Call Vote #: VOICE VOTE I

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2150

House EDUCATION Committee

Check here for Conference Committee

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

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt  
Amendment

Rerefer to Appropriations  Reconsider

Motion Made By VICE CHAIR MEIER Seconded By REP. WALL

Representatives	Yes	No	Representatives	Yes	No
Chairman Kelsch			Rep. Hanson		
Vice Chairman Meier			Rep. Hunsakor		
Rep. Heilman			Rep. Mock		
Rep. Helier			Rep. Mueller		
Rep. Johnson					
Rep. Karls					
Rep. Rohr					
Rep. Rust					
Rep. Sanford					
Rep. Schatz					
Rep. Wall					

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

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

**VOICE VOTE ON 07004: MOTION CARRIES**

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2150

Page 7, line 6, replace "Compensation" with "Reimbursement"

Page 7, line 9, remove "meetings or performing duties directed by the"

Page 7, line 9, after "committee" insert "meetings, except that no member may receive reimbursement under this section for more than three committee meetings during each year of the biennium"

Page 36, after line 21, insert:

**"SECTION 36. EXPIRATION DATE.** Section 5 of this Act is effective through June 30, 2013, and after that date is ineffective."

Renumber accordingly

Date: 03-23-11  
Roll Call Vote #: VOICE VOTE 2

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2150

House EDUCATION Committee

Check here for Conference Committee

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

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt  
Amendment

Rerefer to Appropriations  Reconsider

Motion Made By REP. HEILMAN Seconded By VICE CHAIR MEIER

Representatives	Yes	No	Representatives	Yes	No
Chairman Kelsch			Rep. Hanson		
Vice Chairman Meier			Rep. Hunsakor		
Rep. Heilman			Rep. Mock		
Rep. Heller			Rep. Mueller		
Rep. Johnson					
Rep. Karls					
Rep. Rohr					
Rep. Rust					
Rep. Sanford					
Rep. Schatz					
Rep. Wall					

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

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

**VOICE VOTE ON 07005: MOTION CARRIES**

11.0208.07008  
Title.

Prepared by the Legislative Council staff for  
Representative R. Kelsch  
March 18, 2011

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2150

Page 18, line 5, remove the third underscored comma

Page 18, line 6, remove "including the writing test."

Renumber accordingly

Date: 3-23-11  
Roll Call Vote #: VOICE VOTE 3

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2150

House EDUCATION Committee

Check here for Conference Committee

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

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt  
Amendment

Rerefer to Appropriations  Reconsider

Motion Made By REP. WALL Seconded By REP. MUELLER

Representatives	Yes	No	Representatives	Yes	No
Chairman Kelsch			Rep. Hanson		
Vice Chairman Meier			Rep. Hunskor		
Rep. Heilman			Rep. Mock		
Rep. Heller			Rep. Mueller		
Rep. Johnson					
Rep. Karls					
Rep. Rohr					
Rep. Rust					
Rep. Sanford					
Rep. Schatz					
Rep. Wall					

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

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

**VOICE VOTE ON 07008: MOTION CARRIES**

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2150

Page 32, line 20, replace the first "of" with "in"

Page 32, line 21, overstrike "Per student funding will not be provided to individuals or school districts offering"

Page 32, line 22, replace "an" with "In determining the state aid payments to which a school district is entitled, the superintendent of public instruction may not count any student enrolled in a regular".

Renumber accordingly



Date: 03-23-11  
Roll Call Vote #: VOICE VOTE 4

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2150

House EDUCATION Committee

Check here for Conference Committee

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

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt  
Amendment

Rerefer to Appropriations  Reconsider

Motion Made By VICE CHAIR MEIER Seconded By REP. MOCK

Representatives	Yes	No	Representatives	Yes	No
Chairman Kelsch			Rep. Hanson		
Vice Chairman Meier			Rep. Hunsakor		
Rep. Heilman			Rep. Mock		
Rep. Heller			Rep. Mueller		
Rep. Johnson					
Rep. Karls					
Rep. Rohr					
Rep. Rust					
Rep. Sanford					
Rep. Schatz					
Rep. Wall					

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

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

VOICE VOTE ON 07009: MOTION CARRIES

11.0208.07010  
Title.

Prepared by the Legislative Council staff for  
Representative R. Kelsch  
March 18, 2011

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2150

Page 36, remove lines 13 through 19

Renumber accordingly

Date: 03-23-11  
Roll Call Vote #: VOICE VOTE 5

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2150

House EDUCATION Committee

Check here for Conference Committee

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

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt  
Amendment

Rerefer to Appropriations  Reconsider

Motion Made By REP. HEILMAN Seconded By REP. KARLS

Representatives	Yes	No	Representatives	Yes	No
Chairman Kelsch			Rep. Hanson		
Vice Chairman Meier			Rep. Hunsakor		
Rep. Heilman			Rep. Mock		
Rep. Heller			Rep. Mueller		
Rep. Johnson					
Rep. Karls					
Rep. Rohr					
Rep. Rust					
Rep. Sanford					
Rep. Schatz					
Rep. Wall					

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

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

VOICE VOTE ON 07010: MOTION CARRIES

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2150

Page 1, line 2, replace "two" with "three"

Page 14, remove lines 21 through 30

Page 15, remove lines 1 through 29

Page 16, replace lines 1 through 10 with:

**"SECTION 14.** Section 15.1-21-02.6 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.6. North Dakota scholarship - Amount - Applicability.**

1. The state board of higher education shall provide to any student certified as being eligible by the superintendent of public instruction either a North Dakota academic scholarship or a North Dakota career and technical education scholarship in the amount of seven hundred fifty dollars for each semester during which the student is enrolled full time at an accredited institution of higher education in this state and maintains a cumulative grade point average of 2.75.
2. A student is not entitled to receive more than six thousand dollars in scholarships under this section.
3. The state board of higher education shall forward the scholarship directly to the institution in which the student is enrolled.
4. This section does not require a student to be enrolled in consecutive semesters. However, a scholarship under this section is valid only for six academic years after the student's graduation from high school and may not be applied to graduate programs.
5. A scholarship under this section is available to any eligible student who graduates from a high school in this state or from a high school in a bordering state under chapter 15.1-29.
6. For purposes of North Dakota scholarship eligibility, "full-time" means enrollment in at least twelve credits during a student's first two semesters and enrollment in at least fifteen credits during each semester thereafter.

**SECTION 15.** A new section to chapter 15.1-21 of the North Dakota Century Code is created and enacted as follows:

**North Dakota scholarship - Eligibility - One-time exception.**

1. Notwithstanding section 15.1-21-02.6, if a student's cumulative grade point average as determined by the state board of higher education at the conclusion of a semester is below 2.75, the board shall grant an exception and provide the North Dakota scholarship to which the student would otherwise be entitled for the next semester in which the student is enrolled

Date: 03-23-11  
Roll Call Vote #: VOICE VOTE 6

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2150

House EDUCATION Committee

Check here for Conference Committee

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

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt  
Amendment

Rerefer to Appropriations  Reconsider

Motion Made By REP. MUELLER Seconded By REP. HELLER

Representatives	Yes	No	Representatives	Yes	No
Chairman Kelsch			Rep. Hanson		
Vice Chairman Meier			Rep. Hunskor		
Rep. Heilman			Rep. Mock		
Rep. Heller			Rep. Mueller		
Rep. Johnson					
Rep. Karls					
Rep. Rohr					
Rep. Rust					
Rep. Sanford					
Rep. Schatz					
Rep. Wall					

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

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

MOTION TO AMEND 0701Z  
TO GO FROM 15 to 12 ; MOTION CARRIES  
CREDIT HOURS

Date: 03-23-11  
Roll Call Vote #: VOICE VOTE 7

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2150

House EDUCATION Committee

Check here for Conference Committee

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

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt  
Amendment

Rerefer to Appropriations  Reconsider

Motion Made By REP. RUST Seconded By REP. ROHR

Representatives	Yes	No	Representatives	Yes	No
Chairman Kelsch			Rep. Hanson		
Vice Chairman Meier			Rep. Hunsakor		
Rep. Heilman			Rep. Mock		
Rep. Heller			Rep. Mueller		
Rep. Johnson					
Rep. Karls					
Rep. Rohr					
Rep. Rust					
Rep. Sanford					
Rep. Schatz					
Rep. Wall					

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

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

**VOICE VOTE ON AMENDED AMENDMENT 07012**

**MOTION CARRIES**

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2150

Page 1, line 7, remove "and"

Page 1, line 7, after "15.1-37-01" insert ", and 57-15-14"

Page 1, line 9, remove "and"

Page 1, line 9, after "aid" insert ", and school district general fund levy limitations"

Page 32, after line 22, insert:

**"SECTION 27. AMENDMENT.** Section 57-15-14 of the North Dakota Century Code is amended and reenacted as follows:

**57-15-14. General fund levy limitations in school districts.**

The aggregate amount levied each year for the purposes listed in section 57-15-14.2 by any school district, except the Fargo school district, may not exceed the amount in dollars which the school district levied for the prior school year plus twelve percent up to a general fund levy of one hundred eighty-five mills on the dollar of the taxable valuation of the district, except that:

1. In any school district having a total population in excess of four thousand according to the last federal decennial census there may be levied any specific number of mills that upon resolution of the school board has been submitted to and approved by a majority of the qualified electors voting upon the question at any regular or special school district election.
2. In any school district having a total population of fewer than four thousand, there may be levied any specific number of mills that upon resolution of the school board has been approved by fifty-five percent of the qualified electors voting upon the question at any regular or special school election.
3. After June 30, 2009, in any school district election for approval by electors of increased levy authority under subsection 1 or 2, the ballot must specify the number of mills proposed for approval, and the number of taxable years for which that approval is to apply. After June 30, 2009, approval by electors of increased levy authority under subsection 1 or 2 may not be effective for more than ten taxable years.
4. The authority for a levy of up to a specific number of mills under this section approved by electors of a school district before July 1, 2009, is terminated effective for taxable years after 2015. If the electors of a school district subject to this subsection have not approved a levy for taxable years after 2015 of up to a specific number of mills under this section by December 31, 2015, the school district levy limitation for subsequent years is subject to the limitations under section 57-15-01.1 or this section.
5. The authority for an unlimited levy approved by electors of a school district before July 1, 2009, is terminated effective for taxable years after 2015. If the electors of a school district subject to this subsection have not

approved a levy of up to a specific number of mills under this section by December 31, 2015, the school district levy limitation for subsequent years is subject to the limitations under section 57-15-01.1 or this section.

6. A school district that experiences a rapidly increasing taxable valuation may levy, for the taxable year of the rapidly increasing taxable valuation and the next taxable year, the amount in dollars which the school district levied for the prior school year plus eighteen percent, up to a general fund levy of one hundred eighty-five mills on the dollar of the taxable valuation of the district. For purposes of this subsection, "rapidly increasing taxable valuation" means an increase of twenty percent or more in taxable valuation from the immediately preceding taxable year.

The question of authorizing or discontinuing such specific number of mills authority in any school district must be submitted to the qualified electors at the next regular election upon resolution of the school board or upon the filing with the school board of a petition containing the signatures of qualified electors of the district equal in number to ten percent of the number of electors who cast votes in the most recent election in the school district. However, not fewer than twenty-five signatures are required. However, the approval of discontinuing such authority does not affect the tax levy in the calendar year in which the election is held. The election must be held in the same manner and subject to the same conditions as provided in this section for the first election upon the question of authorizing the mill levy."

Renumber accordingly



Date: 03-28-11  
 Roll Call Vote #: 1

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
 BILL/RESOLUTION NO. 2150

House EDUCATION Committee

Check here for Conference Committee

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

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt  
 Amendment

Rerefer to Appropriations  Reconsider

Motion Made By REP. RUST Seconded By REP. SANFORD

Representatives	Yes	No	Representatives	Yes	No
Chairman Kelsch	X		Rep. Hanson	X	
Vice Chairman Meier	X		Rep. Hunskor	X	
Rep. Heilman	X		Rep. Mock		X
Rep. Heller	X		Rep. Mueller		X
Rep. Johnson	X				
Rep. Karls	X				
Rep. Rohr	X				
Rep. Rust	X				
Rep. Sanford	X				
Rep. Schatz	X				
Rep. Wall	X				

Total (Yes) 13 No 2

Absent 0

Floor Assignment \_\_\_\_\_

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

**ROLL CALL ON 0702Z MOTION CARRIES**

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2150

Page 1, line 12, after "payments" insert ", rapid enrollment grants"

Page 34, after line 10, insert:

**"SECTION 29. SCHOOL DISTRICT RAPID ENROLLMENT GROWTH - GRANT.** During the 2011-13 biennium, the superintendent of public instruction shall expend up to \$5,000,000 from the grants - state school aid line item in the appropriation bill for the superintendent of public instruction, as approved by the sixty-second legislative assembly, for the purpose of providing a grant to any school district that can demonstrate rapid enrollment growth in accordance with this section.

1. If the number of full-time equivalent students enrolled in a school district has increased by at least three percent annually and if that increase is equal to at least twenty-five full-time equivalent students, as demonstrated by the district's September tenth fall enrollment report, the district is entitled to receive a grant equal to thirty percent of the per student payment provided for in section 15.1-27-04 multiplied by the actual increase in its full-time equivalent student enrollment.
2. If the number of full-time equivalent students enrolled in a school district has increased by at least seven percent annually and if that increase is equal to at least twenty-five full-time equivalent students, as demonstrated by the district's September tenth fall enrollment report, the district is entitled to receive a grant equal to seventy percent of the per student payment provided for in section 15.1-27-04 multiplied by the actual increase in its full-time equivalent student enrollment.
3. If the number of full-time equivalent students enrolled in a school district has increased by at least thirteen percent annually and if that increase is equal to at least twenty-five full-time equivalent students, as demonstrated by the district's September tenth fall enrollment report, the district is entitled to receive a grant equal to the per student payment provided for in section 15.1-27-04 multiplied by the actual increase in its full-time equivalent student enrollment.
4. If the amount of the expenditure provided for in this section is insufficient to meet the obligations of this section, the superintendent of public instruction shall prorate the payment based on the percentage of the total amount to which each school district is entitled.
5. A district may not receive more than \$800,000 annually in accordance with this section."

Renumber accordingly

Date: 03-28-11  
Roll Call Vote #: VOICE VOTE 1

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2150

House EDUCATION Committee

Check here for Conference Committee

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

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt  
Amendment

Rerefer to Appropriations  Reconsider

Motion Made By REP. MUELLER Seconded By REP. SANFORD

Representatives	Yes	No	Representatives	Yes	No
Chairman Kelsch			Rep. Hanson		
Vice Chairman Meier			Rep. Hunskor		
Rep. Heilman			Rep. Mock		
Rep. Heller			Rep. Mueller		
Rep. Johnson					
Rep. Karls					
Rep. Rohr					
Rep. Rust					
Rep. Sanford					
Rep. Schatz					
Rep. Wall					

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

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

VOICE VOTE ON: 07024

MOTION CARRIES

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2150

Page 36, after line 19, insert:

**"SECTION 34. LEGISLATIVE MANAGEMENT STUDY - ADULT EDUCATION.**

During the 2011-12 interim, the legislative management shall consider studying the provision and funding of adult education. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-third legislative assembly."

Renumber accordingly

Date: 03-28-11  
Roll Call Vote #: VOICE VOTE 2

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2150

House EDUCATION Committee

Check here for Conference Committee

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

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt  
Amendment

Rerefer to Appropriations  Reconsider

Motion Made By REP. HANSON Seconded By REP. WALL

Representatives	Yes	No	Representatives	Yes	No
Chairman Kelsch			Rep. Hanson		
Vice Chairman Meier			Rep. Hunsakor		
Rep. Heilman			Rep. Mock		
Rep. Heller			Rep. Mueller		
Rep. Johnson					
Rep. Karls					
Rep. Rohr					
Rep. Rust					
Rep. Sanford					
Rep. Schatz					
Rep. Wall					

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

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

VOICE VOTE ON: 07018

MOTION CARRIES

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2150

Page 1, line 2, replace "two" with "three"

Page 14, remove lines 21 through 30

Page 15, remove lines 1 through 29

Page 16, replace lines 1 through 10 with:

**"SECTION 14. AMENDMENT.** Section 15.1-21-02.6 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.6. North Dakota scholarship - Amount - Applicability.**

1.
  - a. The state board of higher education shall provide to any student certified as being eligible by the superintendent of public instruction either a North Dakota academic scholarship or a North Dakota career and technical education scholarship in the amount of seven hundred fifty dollars for each semester during which the student is enrolled full time at an accredited institution of higher education in this state and maintains a cumulative grade point average of 2.75.
  - b. The state board of higher education shall provide to any student certified as being eligible by the superintendent of public instruction either a North Dakota academic scholarship or a North Dakota career and technical education scholarship in the amount of five hundred dollars for each quarter during which the student is enrolled full time at an accredited institution of higher education in this state and maintains a cumulative grade point average of 2.75.
2. A student is not entitled to receive more than six thousand dollars under this section.
3. The state board of higher education shall forward the scholarship directly to the institution in which the student is enrolled.
4.
  - a. (1) This section does not require a student to be enrolled in consecutive semesters.
  - (2) This section does not require a student to be enrolled in consecutive quarters.
  - b. However, a scholarship under this section is valid only for six academic years after the student's graduation from high school and may not be applied to graduate programs.
5. A scholarship under this section is available to any eligible student who graduates from a high school in this state or from a high school in a bordering state under chapter 15.1-29.

**SECTION 15.** A new section to chapter 15.1-21 of the North Dakota Century Code is created and enacted as follows:

**North Dakota scholarship - Eligibility - One-time exception.**

1.
  - a. Notwithstanding section 15.1-21-02.6, if a student's cumulative grade point average as determined by the state board of higher education at the conclusion of a semester is below 2.75, the board shall grant an exception and provide the North Dakota scholarship to which the student would otherwise be entitled for the next semester in which the student is enrolled full time. The exception provided by this section is applicable to a student only one time.
  - b. If a student's cumulative grade point average as determined by the state board of higher education at the conclusion of a semester is below 2.75 for a second time, the student is no longer eligible to receive any additional North Dakota scholarships.
2.
  - a. Notwithstanding section 15.1-21-02.6, if a student's cumulative grade point average as determined by the state board of higher education at the conclusion of a quarter is below 2.75, the board shall grant an exception and provide the North Dakota scholarship to which the student would otherwise be entitled for the next quarter in which the student is enrolled full time. The exception provided by this section is applicable to a student only one time.
  - b. If a student's cumulative grade point average as determined by the state board of higher education at the conclusion of a quarter is below 2.75 for a second time, the student is no longer eligible to receive any additional North Dakota scholarships."

Page 36, line 21, replace "21" with "22"

Renumber accordingly

Date: 03-28-11  
Roll Call Vote #: VOICE VOTE 3

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2150

House EDUCATION Committee

Check here for Conference Committee

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

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt  
Amendment

Rerefer to Appropriations  Reconsider

Motion Made By VICE CHAIR MEIER Seconded By REP. MOCK

Representatives	Yes	No	Representatives	Yes	No
Chairman Kelsch			Rep. Hanson		
Vice Chairman Meier			Rep. Hunsakor		
Rep. Heilman			Rep. Mock		
Rep. Heller			Rep. Mueller		
Rep. Johnson					
Rep. Karls					
Rep. Rohr					
Rep. Rust					
Rep. Sanford					
Rep. Schatz					
Rep. Wall					

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

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

VOICE VOTE ON 07023: MOTION CARRIES



PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2150

Page 1, line 7, after "15.1-37-01" insert ", subsection 1 of section 15.1-37-02, and section 15.1-37-03"

Page 1, line 9, remove "and"

Page 1, line 9, after "aid" insert ", and the early childhood education council"

Page 32, after line 22, insert:

**"SECTION 27. AMENDMENT.** Subsection 1 of section 15.1-37-02 of the North Dakota Century Code is amended and reenacted as follows:

1. The North Dakota early childhood education council consists of:
  - a. A chairman appointed by the governor;
  - b. The superintendent of public instruction, or the superintendent's designee;
  - c. The state health officer, or the officer's designee;
  - d. The director of the department of human services, or the director's designee;
  - e. The North Dakota head start - state collaboration administrator, or the administrator's designee;
  - f. The commissioner of higher education, or the commissioner's designee;
  - g. The commissioner of commerce, or the commissioner's designee;
  - h. The chairman of the senate education committee, or the chairman's designee;
  - ~~h.i.~~ The chairman of the house of representatives education committee, or the chairman's designee; and
  - ~~i.j.~~ The following gubernatorial appointees:
    - (1) The superintendent of a school district having at least one thousand students in average daily membership;
    - (2) The superintendent of a school district having fewer than one thousand students in average daily membership;
    - (3) The superintendent of a school district headquartered on a reservation or including reservation land within its boundaries;
    - (4) ~~The principal of a school district;~~
    - (5) ~~An individual employed as an elementary school teacher;~~

- (6) An individual representing a non-religious-based provider of ~~preschool~~early childhood education;
- (7)(5) An individual representing a religious-based provider of ~~preschool~~early childhood education;
- (8)(6) An individual representing a center-based licensed child care provider;
- (9)(7) An individual representing a home-based licensed child care provider;
- (10)(8) An individual representing a reservation-based head start program;
- (11)(9) An elected member of a school board;
- (12)(10) The parent of a child not yet enrolled in elementary school; ~~and~~
- (13)(11) The parent of a child with ~~special needs~~disabilities not yet enrolled in elementary school; and
- (12) An individual representing children with disabilities.

**SECTION 28. AMENDMENT.** Section 15.1-37-03 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-37-03. Council - Duties.**

The council shall:

1. Review the ~~delivery~~availability and provision of early childhood education, care, and services in this state;
2. ~~Conduct a needs assessment;~~
3. ~~Review early childhood education standards and propose revisions to the standards as needed;~~
4. ~~Review~~Identify opportunities for public and private sector collaboration in the deliveryprovision of early childhood education, care, and services in this state;
5. ~~Develop a comprehensive plan governing the delivery of early childhood education in this state; and~~
- 6-3. Identify ways to assist with the recruitment and retention of individuals interested in working as providers of early childhood education, care, and services, including training and continuing education or professional development opportunities;
4. Seek the advice and guidance of individuals who are uniquely familiar with the nature, scope, and associated challenges of providing early childhood education, care, and services in geographically and socioeconomically diverse settings, and develop recommendations pertaining to the short-term and longer-term improvement and expansion of early childhood education, care, and services in this state; and

5. Provide a biennial report regarding its activities findings and recommendations to the governor and the legislative ~~council~~ assembly."

Renumber accordingly

Date: 3-28-11  
Roll Call Vote #: VOICE VOTE 4

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2150

House EDUCATION Committee

Check here for Conference Committee

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

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt  
Amendment

Rerefer to Appropriations  Reconsider

Motion Made By VICECHAIR MEIER Seconded By REP. MOCK

Representatives	Yes	No	Representatives	Yes	No
Chairman Kelsch			Rep. Hanson		
Vice Chairman Meier			Rep. Hunskor		
Rep. Heilman			Rep. Mock		
Rep. Heller			Rep. Mueller		
Rep. Johnson					
Rep. Karls					
Rep. Rohr					
Rep. Rust					
Rep. Sanford					
Rep. Schatz					
Rep. Wall					

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

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

07017 MOTION CARRIES

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2150

Page 1, line 2, remove "and"

Page 1, line 2, after "15.1-21" insert ", and a new section to chapter 15.1-27"

Page 1, line 4, remove the first "and"

Page 1, line 4, after "scholarships" insert ", and unobligated general fund balances"

Page 32, after line 7, insert:

"SECTION 26. A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Unobligated general fund balance - Refund of deductions.**

1. If a reorganized school district experiences a reduction in the amount of state aid to which it was entitled as a result of section 15.1-27-35.3, that district is entitled to a refund of the amount deducted if the district can demonstrate to the superintendent of public instruction that variables associated with the reorganization made it impossible to accurately predict its unobligated general fund balance. For purposes of this section, "variables" include:
  - a. Cash contributions that would be forthcoming from the participating districts;
  - b. Anticipated tuition revenues;
  - c. Actual costs of operating educational programs; and
  - d. Debt consolidation and repayment obligations.
2. This section is applicable only to districts that reorganized on or after July 1, 2008, and only with respect to reductions applied during the first three years following the date of reorganization."

Renumber accordingly

Date: 03-28-11  
Roll Call Vote #: VOICE VOTE 5

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2150

House EDUCATION Committee

Check here for Conference Committee

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

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt  
Amendment

Rerefer to Appropriations  Reconsider

Motion Made By VICE CHAIR MEIER Seconded By REP. MUELLER

Representatives	Yes	No	Representatives	Yes	No
Chairman Kelsch			Rep. Hanson		
Vice Chairman Meier			Rep. Hunskor		
Rep. Heilman			Rep. Mock		
Rep. Heller			Rep. Mueller		
Rep. Johnson					
Rep. Karls					
Rep. Rohr					
Rep. Rust					
Rep. Sanford					
Rep. Schatz					
Rep. Wall					

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

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

VOICE VOTE ON 07003  
DO NOT PASS; MOTION CARRIES

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2150

Page 11, after line 2, insert:

"**SECTION 12.** A new section to chapter 15.1-21 of the North Dakota Century Code is created and enacted as follows:

**High school graduation - Minimum requirements.**

Except as provided in section 15.1-21-02.3, the following twenty-two units of high school coursework constitute the minimum requirement for high school graduation:

1. Four units of English language arts from a sequence that includes literature, composition, and speech;
2. Three units of mathematics;
3. Three units of science, including:
  - a. One unit of physical science;
  - b. One unit of biology; and
  - c. (1) One unit of any other science; or  
(2) Two one-half units of any other science;
4. a. One unit of United States history;
  - b. (1) One-half unit of United States government and one-half unit of economics; or  
(2) One unit of problems of democracy; and
  - c. One unit of world history;
5. a. One unit of physical education; or  
b. One-half unit of physical education and one-half unit of health;
6. Three units of:
  - a. Foreign languages;
  - b. Native American languages;
  - c. Fine arts; or
  - d. Career and technical education courses; and
7. Any five additional units."

Page 12, after line 26, insert:

**"SECTION 14. AMENDMENT.** Section 15.1-21-02.4 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.4. North Dakota career and technical education scholarship.**

Any resident student who graduates from a high school during or after the 2010-11 school year is eligible to receive a North Dakota career and technical education scholarship provided the student ~~completes all requirements set forth in subsections 1 through 5 and subsection 7 of section 15.1-21-02.1 for a high school diploma and:~~

1. Completed four units of English language arts from a sequence that includes literature, composition, and speech;
2. Completed three units of mathematics, including:
  - a. ~~Completes one~~One unit of algebra II, as defined by the superintendent of public instruction, ~~in fulfillment of the mathematics requirement set forth in subsection 2 of section 15.1-21-02.1; and~~
  - b. ~~Completes two~~Two units of any other mathematics;
3. Completed three units of science, including:
  - a. One unit of physical science;
  - b. One unit of biology; and
  - c. (1) One unit of any other science; or  
(2) Two one-half units of any other science;
4. Completed:
  - a. One unit of United States history;
  - b. (1) One-half unit of United States government and one-half unit of economics; or  
(2) One unit of problems of democracy; and
  - c. One unit of world history;
5. a. Completed one unit of physical education; or  
b. One-half unit of physical education and one-half unit of health;
6. Completed:
  - a. One unit selected from:
    - (1) Foreign languages;
    - (2) Native American languages;
    - (3) American sign language;
    - (4) Fine arts; or
    - (5) Career and technical education courses; and



- b. Two units of a coordinated plan of study recommended by the department of career and technical education and approved by the superintendent of public instruction; and
- e-7. ~~Completes three~~Completed any five additional units, two of which must be in the area of career and technical education;
- 2. ~~Obtains a grade of at least "C" in each unit or one-half unit required for the diploma;~~
- 3-8. a. (1) ~~Obtains~~Obtained a cumulative grade point average of at least ~~"B"~~3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based on all high school units in which the student was enrolled; and
- (2) Obtained a grade of at least "C" in each unit or one-half unit; or
- b. (1) Obtained a cumulative grade point average of at least 3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based only on the units required by subsections 1 through 7 of this section; and
- (2) Obtained a grade of at least "C" in each unit or one-half unit; and
- 4-9. ~~Receives~~Received:
  - a. A composite score of at least twenty-four on an ACT; or
  - b. A score of at least five on each of three WorkKeys assessments recommended by the department of career and technical education and approved by the superintendent of public instruction."

Page 14, after line 20, insert:

**"SECTION 16. AMENDMENT.** Section 15.1-21-02.5 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.5. North Dakota academic scholarship.**

Any resident student who graduates from a high school during or after the 2010-11 school year is eligible to receive a North Dakota academic scholarship provided the student ~~completes all requirements set forth in subsections 1 through 5 and subsection 7 of section 15.1-21-02.1 for a high school diploma and:~~

1. Completed four units of English language arts from a sequence that includes literature, composition, and speech;
2. Completed three units of mathematics, including:
  - a. ~~Completes one~~One unit of algebra II, as defined by the superintendent of public instruction, ~~in fulfillment of the mathematics requirement set forth in subsection 2 of section 15.1-21-02.1; and~~
  - b. ~~Completes one~~One additional unit of mathematics for which algebra II, as defined by the superintendent of public instruction, is a prerequisite; ~~and~~

- e-3. ~~Completes~~Completed three units of science, including:
- a. One unit of physical science;
  - b. One unit of biology; and
  - c. (1) One unit of any other science; or  
(2) Two one-half units of any other science;
4. Completed:
- a. One unit of United States history;
  - b. (1) One-half unit of United States government and one-half unit of economics; or  
(2) One unit of problems of democracy; and
  - c. One unit of world history;
5. a. Completed one unit of physical education; or  
b. One-half unit of physical education and one-half unit of health;
6. a. Completed:
- (1) Two units of the same foreign or native American language;
  - (2) One unit of fine arts or career and technical educationAmerican sign language; and
- (3)b. One unit of a foreign or nativeselected from:
- (1) Foreign languages;
  - (2) Native American language, finelanguages;
  - (3) American sign language;
  - (4) Fine arts, or career, or
  - (5) Career and technical education;
2. ~~Obtains a grade of at least "C" in each unit or one-half unit required for the diploma;~~
- 3-7. ~~Obtains~~Completed any five additional units, one of which must be in the area of fine arts or career and technical education;
8. a. (1) Obtained a cumulative grade point average of at least "B"3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based on all high school units in which the student was enrolled; and  
(2) Obtained a grade of at least "C" in each unit or one-half unit; or
- b. (1) Obtained a cumulative grade point average of at least 3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based only on the units required by subsections 1 through 7 of this section; and

(2) Obtained a grade of at least "C" in each unit or one-half unit;

4.9. ~~Receives~~Received a composite score of at least twenty-four on an ACT;  
and

5.10. a. ~~Completes~~Fulfilled any one unit requirement set forth in subsections 1 through 7 of this section by means of an advanced placement course and examination; or

b. Fulfilled any one-half unit requirement set forth in subsections 1 through 7 of this section by means of a dual-credit course."

Page 36, line 21, replace "Section 21" with "Sections 12, 14, 16, and 24"

Page 36, line 21, replace "becomes" with "become"

Renumber accordingly

Date: 03-28-11  
 Roll Call Vote #: 2

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
 BILL/RESOLUTION NO. 2150

House EDUCATION Committee

Check here for Conference Committee

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

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt  
 Amendment

Rerefer to Appropriations  Reconsider

Motion Made By REP. SCHATZ Seconded By REP. ROHR

Representatives	Yes	No	Representatives	Yes	No
Chairman Kelsch		X	Rep. Hanson		X
Vice Chairman Meier		X	Rep. Hunskor		X
Rep. Heilman		X	Rep. Mock		X
Rep. Heller	X		Rep. Mueller		X
Rep. Johnson		X			
Rep. Karls	X				
Rep. Rohr	X				
Rep. Rust	X				
Rep. Sanford		X			
Rep. Schatz	X				
Rep. Wall		X			

Total (Yes) 5 No 10

Absent 0

Floor Assignment \_\_\_\_\_

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

07015      MOTION FAILS

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2150

Page 1, line 9, after "repeal" insert "chapter 15.1-18.2 and"

Page 1, line 10, after the first "to" insert "professional development plans and"

Page 36, after line 19, insert:

**"SECTION 34. REPEAL.** Chapter 15.1-18.2 of the North Dakota Century Code  
is repealed."

Page 36, line 21, replace "Section 21" with "Sections 21 and 34"

Page 36, line 21, replace "becomes" with "become"

Renumber accordingly

Date: 3-28-11  
Roll Call Vote #: VOICE VOTE 60

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2150

House EDUCATION Committee

Check here for Conference Committee

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

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt  
Amendment

Rerefer to Appropriations  Reconsider

Motion Made By REP. RUST Seconded By REP. MOLL

Representatives	Yes	No	Representatives	Yes	No
Chairman Kelsch			Rep. Hanson		
Vice Chairman Meier			Rep. Hunsakor		
Rep. Heilman			Rep. Mock		
Rep. Heller			Rep. Mueller		
Rep. Johnson					
Rep. Karls					
Rep. Rohr					
Rep. Rust					
Rep. Sanford					
Rep. Schatz					
Rep. Wall					

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

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

VOICE VOTE ON: 07019

MOTION CARRIES

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2150

Page 1, line 7, after the first comma insert "15.1-36-02,"

Page 1, line 9, after the third comma insert "school construction projects,"

Page 32, after line 7, insert:

**"SECTION 26. AMENDMENT.** Section 15.1-36-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-36-02. School construction projects - Loans.**

1. The board of university and school lands may authorize the use of moneys in the coal development trust fund established pursuant to section 21 of article X of the Constitution of North Dakota and subsection 1 of section 57-62-02 to provide school construction loans, as described in this chapter. The outstanding principal balance of loans under this chapter may not exceed fifty million dollars. The board may adopt policies and rules governing school construction loans.
2. In order to be eligible for a loan under this section, the board of a school district shall:
  - a. Propose a construction project with a cost of at least one million dollars and an expected utilization of at least thirty years;
  - b. Obtain the approval of the superintendent of public instruction for the construction project under section 15.1-36-01; and
  - c. Submit to the superintendent of public instruction an application containing all information deemed necessary by the superintendent, including potential alternative sources or methods of financing the construction project.
3. The superintendent of public instruction shall give priority to any district that meets the requirements for receipt of an equity payment under section 15.1-27-11.
4. If an eligible school district's imputed taxable valuation per student is less than eighty percent of the state average imputed valuation per student, the district is entitled to receive:
  - a. A school construction loan equal to the lesser of ~~eight~~twelve million dollars or eighty percent of the actual project cost;
  - b. An interest rate discount equal to at least ~~fifty~~one hundred but not more than two hundred ~~fifty~~ basis points below the prevailing tax-free bond rates; and
  - c. A term of repayment that may extend up to twenty years.

5. If an eligible school district's imputed taxable valuation per student is equal to at least eighty percent but less than ninety percent of the state average imputed taxable valuation per student, the district is entitled to receive:
  - a. A school construction loan equal to the lesser of seventen million dollars or seventy percent of the actual project cost;
  - b. An interest rate buydown equal to at least fiftyone hundred but not more than two hundred fifty basis points below the prevailing tax-free bond rates; and
  - c. A term of repayment that may extend up to twenty years.
6. If an eligible school district's imputed taxable valuation per student is equal to at least ninety percent of the state average imputed taxable valuation per student, the district is entitled to receive:
  - a. A school construction loan equal to the lesser of twefour million five hundred-thousand-dollars or thirty percent of the actual project cost;
  - b. An interest rate discount equal to at least fiftyone hundred but not more than two hundred fifty basis points below the prevailing tax-free bond rates; and
  - c. A term of repayment that may extend up to twenty years.
7. The board of a school district may submit its loan application to the superintendent of public instruction before or after receiving authorization of a bond issue in accordance with chapter 21-03. If the vote to authorize a bond issue precedes the application for a loan, the application must be acted upon by the superintendent expeditiously but no later than one hundred eighty days from the date it is received by the superintendent.
8. The superintendent of public instruction shall consider each loan application in the order it received approval under section 15.1-36-01.
9. If the superintendent of public instruction approves the loan, the superintendent may determine the loan amount, the term of the loan, and the interest rate, in accordance with the requirements of this section.
10. The superintendent of public instruction may adopt rules governing school construction loans.
11. For purposes of this section, a construction project means the purchase, lease, erection, or improvement of any structure or facility by a school board, provided the acquisition or activity is within a school board's authority."

Renumber accordingly



Date: 3-28-11  
Roll Call Vote #: VOICE VOTE 7

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2150

House EDUCATION Committee

Check here for Conference Committee

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

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt  
Amendment

Rerefer to Appropriations  Reconsider

Motion Made By REP. WALL Seconded By REP. D. JOHNSON

Representatives	Yes	No	Representatives	Yes	No
Chairman Kelsch			Rep. Hanson		
Vice Chairman Meier			Rep. Hunskor		
Rep. Heilman			Rep. Mock		
Rep. Heller			Rep. Mueller		
Rep. Johnson					
Rep. Karls					
Rep. Rohr					
Rep. Rust					
Rep. Sanford					
Rep. Schatz					
Rep. Wall					

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

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

VOICE VOTE ON 07Q26

MOTION CARRIES

Date: 3-28-11  
 Roll Call Vote #: VOICE VOTES

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
 BILL/RESOLUTION NO. 2150

House EDUCATION Committee

Check here for Conference Committee

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

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt  
 Amendment

Rerefer to Appropriations  Reconsider \_\_\_\_\_

Motion Made By VICE CHAIR MEIER Seconded By REP. WALL

Representatives	Yes	No	Representatives	Yes	No
Chairman Kelsch			Rep. Hanson		
Vice Chairman Meier			Rep. Hunskor		
Rep. Heilman			Rep. Mock		
Rep. Heller			Rep. Mueller		
Rep. Johnson					
Rep. Karls					
Rep. Rohr					
Rep. Rust					
Rep. Sanford					
Rep. Schatz					
Rep. Wall					

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

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

**VOICE VOTE ON VOICE AMENDMENT**  
**MOTION CARRIES**

Date: 3-28-11  
 Roll Call Vote #: VOICE VOTE 9

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
 BILL/RESOLUTION NO. 2150

House EDUCATION Committee

Check here for Conference Committee

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

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt  
 Amendment

Rerefer to Appropriations  Reconsider

Motion Made By REP. KARLS Seconded By REP. SCHATZ

Representatives	Yes	No	Representatives	Yes	No
Chairman Kelsch	X		Rep. Hanson	X	
Vice Chairman Meier	X		Rep. Hunskor		X
Rep. Heilman		X	Rep. Mock		X
Rep. Heller	X		Rep. Mueller		X
Rep. Johnson		X			
Rep. Karls	X				
Rep. Rohr	X				
Rep. Rust		X			
Rep. Sanford		X			
Rep. Schatz	X				
Rep. Wall		X			

Total (Yes) 7 No 8

Absent 0

Floor Assignment \_\_\_\_\_

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

**VOICE VOTE ON AMENDMENT**  
**MOTION FAILS**

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2150

Page 1, line 2, remove "and"

Page 1, line 2, after "15.1-21" insert ", and ten new sections to chapter 15.1-27"

Page 1, line 4, remove the first "and"

Page 1, line 4, after "scholarships" insert ", and a supplemental teacher-effectiveness compensation plan"

Page 1, line 11, after "for" insert "carryover authority,"

Page 32, after line 7, insert:

**"SECTION 26.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Supplemental teacher-effectiveness compensation plan.**

1. A representative organization authorized by a negotiating unit, as defined in subdivision b of subsection 2 of section 15.1-16-01, and the board of a school district may agree to pursue a supplemental teacher-effectiveness compensation plan for teachers in the negotiating unit.
2. The negotiating unit may include:
  - a. All teachers employed by the board to teach in the school district; or
  - b. All teachers employed by the board to teach at a particular school in the district.
3. For purposes of this section and the implementation of the supplemental teacher-effectiveness compensation plan, "teacher" means an individual defined in subdivision b of subsection 6 of section 15.1-02-13.

**SECTION 27.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Supplemental teacher-effectiveness compensation plan - Development committee - Membership.**

1. Upon agreeing to pursue a supplemental teacher-effectiveness compensation plan, the board of the school district and the representative organization shall form a committee to develop the plan. The membership of the committee must be agreed upon by the board of the school district and the representative organization.
2. At the initial meeting of the committee, the members shall establish rules of operation and procedure.
3. The committee formed under this section is a public entity for purposes of chapter 44-04.

**SECTION 28.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Supplemental teacher-effectiveness compensation plan - Required content.**

1. A supplemental teacher-effectiveness compensation plan developed under this section must:
  - a. Include only matters of compensation and may not include other terms or conditions of employment normally negotiated under chapter 15.1-16;
  - b. Provide for a determination of compensation that takes into account:
    - (1) Whether the school district has had difficulty filling a particular position with a suitable and highly qualified teacher;
    - (2) Whether a teacher has advanced academic degrees or special skills and knowledge beyond those minimally required for a position;
    - (3) Whether a teacher has pursued certified professional development activities beyond those minimally required for a position;
    - (4) Whether a teacher has assumed responsibilities that are beyond those minimally required for a position; and
    - (5) Various measures of student growth, including academic growth;
  - c. Include a rigorous and objective system of teacher evaluation that equitably links an individual's performance to the opportunity for additional compensation; and
  - d. Ensure that no teacher subject to the plan will receive less total compensation than that teacher was eligible to receive under the last contract negotiated under chapter 15.1-16.
2. A supplemental teacher-effectiveness compensation plan is not subject to a declaration of impasse under chapter 15.1-16.

**SECTION 29.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Supplemental teacher-effectiveness compensation plan - Review panel - Duties.**

1. Upon agreeing to a supplemental teacher-effectiveness compensation plan, the plan development committee shall forward the plan to a panel consisting of:
  - a. Two employees of the department of public instruction, selected by the superintendent of public instruction;
  - b. Two individuals appointed by the North Dakota council of educational leaders;

- c. Two individuals appointed by the North Dakota education association; and
  - d. Two individuals appointed by the North Dakota school boards association.
2. a. In order to be considered for funding, a plan must be received by the panel before April 1, 2012.
- b. The panel shall review each plan that was submitted in a timely manner to ensure that it meets the requirements of section 28 of this Act and then, comparing all eligible plans, recommend for funding those that have the greatest potential to increase teacher effectiveness through supplemental compensation.
3. If the cost of funding all of the plans recommended by the panel exceeds the resources made available, the superintendent of public instruction, with the advice of the review panel, shall select for funding plans that were developed in districts of varying size. For purposes of this section, the superintendent of public instruction shall consider a district to be:
- a. Small, if it has fewer than one thousand weighted student units;
  - b. Medium, if it has a least one thousand but fewer than five thousand weighted student units; and
  - c. Large, if it has at least five thousand weighted student units.

**SECTION 30.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Supplemental teacher-effectiveness compensation plan - Determination of funding - Minimum amount.**

1. If a plan is selected for funding, the superintendent of public instruction shall determine the amount to which the submitting district is entitled for use as supplemental teacher-effectiveness compensation. The superintendent shall:
- a. Multiply the number of students in average daily membership instructed by the number of full-time equivalent teachers participating in the district's supplemental teacher-effectiveness compensation plan during the 2012-13 school year;
  - b. Multiply the result determined under subdivision a by a factor of 0.05; and
  - c. Apply the school district size weighting factor as set forth in section 15.1-27-03.2 to the result determined under subdivision b.
2. Notwithstanding subsection 1, if a plan is selected for funding, the minimum amount to which a submitting district is entitled for use as supplemental teacher-effectiveness compensation is two thousand dollars multiplied by the number of full-time equivalent teachers participating in the district's plan.

**SECTION 31.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Administrative costs.**

A school district may use up to five percent of the moneys it receives for its supplemental teacher-effectiveness compensation plan to pay for any additional expenses it has incurred in administering the supplemental teacher-effectiveness compensation plan.

**SECTION 32.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Supplemental teacher-effectiveness compensation plan - Review panel - Additional duties.**

In addition to the duties set forth in section 29 of this Act, the review panel shall:

1. Develop and distribute guidelines pertaining to the creation of supplemental teacher-effectiveness compensation plans;
2. Upon request meet with and advise plan development committees pursuing the creation of supplemental teacher-effectiveness compensation plans; and
3. Provide advice to the superintendent of public instruction regarding the hiring of any employees or the selection of any contractors whose duties will be related to supplemental teacher-effectiveness compensation.

**SECTION 33.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Annual report - Required content.**

1. Any school district that receives moneys under section 15.1-27-03.1 to implement a supplemental teacher-effectiveness compensation plan shall file an annual report with the superintendent of public instruction, at the time and in the manner directed by the superintendent. The report must address whether the plan has:
  - a. Alleviated difficulty filling particular positions with suitable and highly qualified teachers;
  - b. Encouraged teachers to pursue advanced academic degrees or acquire special skills and knowledge beyond those minimally required for a position;
  - c. Encouraged teachers to pursue certified professional development activities beyond those minimally required for a position;
  - d. Encouraged teachers to assume additional responsibilities that are beyond those minimally required for a position; and
  - e. Resulted in measurable student growth, including academic growth.

2. The report also must include suggestions for modifications to the plan, if appropriate.
3. The representative organization shall indicate in writing its agreement with the report and the suggestions for modifications, as submitted by the school district in accordance with this section, or provide to the superintendent of public instruction a separate report together with any suggestions for modifications.
4. If the school district and the representative organization agree to recommend continuation of the plan, with or without modification, the report must contain a request for continued funding.
5. The superintendent of public instruction shall provide copies of the report to the plan review panel established by section 29 of this Act.

**SECTION 34.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Existing contracts - Terms - Effect.**

1. The terms of any contract entered before July 1, 2011, between the board of a school district and a representative organization in accordance with chapter 15.1-16, remain in force and effect for the duration of the contract.
2. A supplemental teacher-effectiveness compensation plan authorized by this Act may take effect on July 1, 2012.

**SECTION 35.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Plan review panel - Reimbursement for expenses.**

Each member of the supplemental teacher-effectiveness compensation plan review panel is entitled to receive reimbursement for expenses as provided by law for state officials if the member is attending meetings or performing duties directed by the panel."

Page 36, after line 19, insert:

**"SECTION 44. SUPPLEMENTAL TEACHER-EFFECTIVENESS COMPENSATION PLANS - EXEMPTION - CARRYOVER AUTHORITY.** Section 54-44.1-11 does not apply to any moneys included in the grants - state school aid line item in the appropriation bill for the superintendent of public instruction, as approved by the sixty-second legislative assembly, for the purpose of funding supplemental teacher-effectiveness compensation plans during the 2011-13 biennium. Any moneys not expended by June 30, 2013, must be continued and expended only for the purpose of funding supplemental teacher-effectiveness compensation plans during the biennium beginning July 1, 2013, and ending June 30, 2015."

Page 36, after line 21, insert:

**"SECTION 47. EXPIRATION DATE.** Sections 26 through 35 of this Act are effective through June 30, 2013, and after that date are ineffective."



Renumber accordingly

1. The first part of the document is a list of items that are to be renumbered. The list is as follows:

- 1. The first part of the document is a list of items that are to be renumbered. The list is as follows:

Date: 03-28-11  
Roll Call Vote #: VOICE VOTE 10

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2150

House EDUCATION Committee

Check here for Conference Committee

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

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt  
Amendment

Rerefer to Appropriations  Reconsider

Motion Made By VICE CHAIR MEIER Seconded By REP. KARLS

Representatives	Yes	No	Representatives	Yes	No
Chairman Kelsch			Rep. Hanson		
Vice Chairman Meier			Rep. Hunsakor		
Rep. Heilman			Rep. Mock		
Rep. Heller			Rep. Mueller		
Rep. Johnson					
Rep. Karls					
Rep. Rohr					
Rep. Rust					
Rep. Sanford					
Rep. Schatz					
Rep. Wall					

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

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

VOICE VOTE ON AMENDMENT TO  
AMENDMENT 07 OZO

MOTION CARRIES

Date: 03-28-11  
 Roll Call Vote #: 3

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
 BILL/RESOLUTION NO. 2150

House EDUCATION Committee

Check here for Conference Committee

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

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt  
 Amendment

Rerefer to Appropriations  Reconsider

Motion Made By VICE CHAIR MEIER Seconded By REP. MUELLER

Representatives	Yes	No	Representatives	Yes	No
Chairman Kelsch	X		Rep. Hanson		X
Vice Chairman Meier	X		Rep. Hunsakor		X
Rep. Heilmann	X		Rep. Mock	X	
Rep. Heller		X	Rep. Mueller	X	
Rep. Johnson	X				
Rep. Karls	X				
Rep. Rohr		X			
Rep. Rust	X				
Rep. Sanford	X				
Rep. Schatz		X			
Rep. Wall	X				

Total (Yes) 10 No 5

Absent 0

Floor Assignment \_\_\_\_\_

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

ROLL CALL ON: 07020 MOTION CARRIES

VR  
3/31/11  
1843

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2150

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 15.1-09.1, four new sections to chapter 15.1-18.2, three new sections to chapter 15.1-21, and ten new sections to chapter 15.1-27 of the North Dakota Century Code, relating to regional education associations, the professional development advisory committee, North Dakota scholarships, and supplemental teacher-effectiveness compensation; to amend and reenact sections 15.1-06-04, 15.1-07-33, 15.1-09-58, 15.1-09.1-02, 15.1-21-02.1, 15.1-21-02.4, 15.1-21-02.5, 15.1-21-02.6, 15.1-21-08, 15.1-21-18, 15.1-21-19, 15.1-22-01, 15.1-27-03.1, 15.1-27-04, 15.1-27-07.2, 15.1-27-11, 15.1-27-35.3, 15.1-36-02, and 15.1-37-01, subsection 1 of section 15.1-37-02, and sections 15.1-37-03 and 57-15-14 of the North Dakota Century Code, relating to the school calendar, technology, regional education associations, curriculum requirements, assessments, scholarships, student consultations, state aid, school construction funding, early childhood education, care, and services, and taxable valuations; to repeal Section 6 of this Act and sections 15.1-18.2-01, 15.1-18.2-02, 15.1-18.2-03, and 15.1-27-15 of the North Dakota Century Code, relating to professional development and isolated schools; to provide a continuing appropriation; to provide for compensation increases, transition payments, contingent payments, carryover authority, and the distribution of transportation grants and rapid enrollment growth grants; to provide for legislative management studies; to provide an effective date; and to provide an expiration date.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. AMENDMENT.** Section 15.1-06-04 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-06-04. School calendar - Length.**

1. During the 2009-10 school year, a school district shall provide for a school calendar of at least one hundred eighty days.
  - a. One hundred seventy-three days must be used for instruction;
  - b. Three days must be used for holidays, as selected by the school board in consultation with district teachers from the list provided for in subdivisions b through j of subsection 1 of section 15.1-06-02;
  - c. Up to two days must be used for:
    - (1) Parent-teacher conferences; or
    - (2) Compensatory time for parent-teacher conferences held outside regular school hours; and
  - d. Two days must be used for professional development.
2. ~~During~~Beginning with the 2010-11 school year, a school district shall provide for a school calendar of at least one hundred eighty-one days.

- a. One hundred seventy-four days must be used for instruction;
  - b. Three days must be used for holidays, as selected by the board in consultation with district teachers from the list provided for in subdivisions b through j of subsection 1 of section 15.1-06-02;
  - c. Up to two days must be used for:
    - (1) Parent-teacher conferences; or
    - (2) Compensatory time for parent-teacher conferences held outside of regular school hours; and
  - d. Two days must be used for professional development.
3. Beginning with the ~~2011-12~~2012-13 school year, a school district shall provide for a school calendar of at least one hundred eighty-two days.
- a. One hundred seventy-five days must be used for instruction;
  - b. Three days must be used for holidays, as selected by the board in consultation with district teachers from the list provided for in subdivisions b through j of subsection 1 of section 15.1-06-02;
  - c. Up to two days must be used for:
    - (1) Parent-teacher conferences; or
    - (2) Compensatory time for parent-teacher conferences held outside of regular school hours; and
  - d. Two days must be used for professional development.
4. A day for professional development must consist of:
- a. Six hours of professional development, exclusive of meals and other breaks, conducted within a single day; or
  - b. Two four-hour periods of professional development, exclusive of meals and other breaks, conducted over two days.
5. If a school district offers a four-hour period of professional development, as permitted in subdivision b of subsection 4, the school district may schedule instruction during other available hours on that same day and be credited with providing one-half day of instruction to students. This subsection does not apply unless the one-half day of instruction equals at least one-half of the time required for a full day of instruction, as defined in this section.
6. a. In meeting the requirements for two days of professional development under this section, a school district may require that its teachers attend the North Dakota education association instructional conference and may pay teachers for attending the conference, provided their attendance is verified.
- b. In meeting the requirements for two days of professional development under this section, a school district may consider attendance at the North Dakota education association instructional conference to be optional, elect not to pay teachers for attending the instructional

conference, and instead direct any resulting savings toward providing alternate professional development opportunities.

- c. A school district may not require the attendance of teachers in school or at any school-sponsored, school-directed, school-sanctioned, or school-related activities and may not schedule classroom instruction time nor alternate professional development activities on any day that conflicts with the North Dakota education association instructional conference.
7. Beginning with the 2010-11 school year, if a school district elects to provide an optional third day of professional development, the school district shall do so by:
- a. Meeting the requirements for a day of professional development as set forth in subsection 4; or
  - b. Shortening four instructional days, for the purpose of providing for two-hour periods of professional development, provided:
    - (1) Each instructional day on which such professional development occurs includes at least four hours of instruction for kindergarten and elementary students and four and one-half hours for high school students;
    - (2) The instructional time for each course normally scheduled on that day is reduced proportionately or the daily schedule is reconfigured to ensure that the same course is not subject to early dismissal more than one time per school calendar, as a result of this subdivision; and
    - (3) All teachers having a class dismissed as a result of this subdivision are required to be in attendance and participate in the professional development.
8. a. If a school's calendar provides for an extension of each schoolday beyond the statutorily required minimum number of hours, and if the extensions when aggregated over an entire school year amount to more than eighty-four hours of additional classroom instruction during the school year, the school is exempt from having to make up six hours of instruction time lost as a result of weather-related closure. In order to make up lost classroom instruction time beyond the six hours, the school must extend its normal school calendar day by at least thirty minutes.
- b. A school that does not qualify under the provisions of this subsection must extend its normal schoolday by at least thirty minutes to make up classroom instruction time lost as a result of weather-related closure.
  - c. If because of weather a school must dismiss before completing a full day of instruction, the school is responsible for making up only those hours and portions of an hour between the time of early dismissal and the conclusion of a full day of classroom instruction.
9. For purposes of this section, a full day of instruction consists of:

- a. At least five and one-half hours for kindergarten and elementary students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction; and
- b. At least six hours for high school students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction.

**SECTION 2. AMENDMENT.** Section 15.1-07-33 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-07-33. Student information system - Statewide coordination - Financial support - Exemption.**

- 1. Notwithstanding any other technology requirements imposed by the superintendent of public instruction, the information technology department, or the North Dakota educational technology council, each school district shall acquire PowerSchool through the information technology department and use it as its principal student information system.
- 2. The superintendent of public instruction shall forward that portion of a school district's state aid which is payable by the superintendent under subdivision n of subsection 1 of section 15.1-27-03.1 directly to the information technology department to reimburse the department for the cost of the school district's acquisition, implementation, or utilization of PowerSchool and any related technology support services. The superintendent shall forward the amount payable under this subsection at the same time and in the same manner as provided for other state aid payments under section 15.1-27-01.
- 3. If the portion of a school district's state aid forwarded to the information technology department under subsection 2 exceeds the cost incurred by the information technology department in providing for the school district's acquisition, implementation, or utilization of PowerSchool and any related technology support services, the information technology department shall return the excess moneys to the superintendent of public instruction for redistribution to the school district as per student payments.
- 4. The superintendent of public instruction may exempt a school district from having to acquire and utilize PowerSchool if the school district demonstrates that, in accordance with requirements of the bureau of Indian education, the district has acquired and is utilizing a student information system that is determined to be comparable by the superintendent.

**SECTION 3. AMENDMENT.** Section 15.1-09-58 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-09-58. Prekindergarten program~~Early childhood education~~ - Authorization - Support.**

The board of a school district may establish a prekindergarten~~an early childhood~~ program and may ~~receive and expend any state moneys specifically appropriated for the program, any federal funds~~ support that program with:

- a. At least five and one-half hours for kindergarten and elementary students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction; and
- b. At least six hours for high school students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction.

**SECTION 2. AMENDMENT.** Section 15.1-07-33 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-07-33. Student information system - Statewide coordination - Financial support - Exemption.**

- 1. Notwithstanding any other technology requirements imposed by the superintendent of public instruction, the information technology department, or the North Dakota educational technology council, each school district shall acquire PowerSchool through the information technology department and use it as its principal student information system.
- 2. The superintendent of public instruction shall forward that portion of a school district's state aid which is payable by the superintendent under subdivision n of subsection 1 of section 15.1-27-03.1 directly to the information technology department to reimburse the department for the cost of the school district's acquisition, implementation, or utilization of PowerSchool and any related technology support services. The superintendent shall forward the amount payable under this subsection at the same time and in the same manner as provided for other state aid payments under section 15.1-27-01.
- 3. If the portion of a school district's state aid forwarded to the information technology department under subsection 2 exceeds the cost incurred by the information technology department in providing for the school district's acquisition, implementation, or utilization of PowerSchool and any related technology support services, the information technology department shall return the excess moneys to the superintendent of public instruction for redistribution to the school district as per student payments.
- 4. The superintendent of public instruction may exempt a school district from having to acquire and utilize PowerSchool if the school district demonstrates that, in accordance with requirements of the bureau of Indian education, the district has acquired and is utilizing a student information system that is determined to be comparable by the superintendent.

**SECTION 3. AMENDMENT.** Section 15.1-09-58 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-09-58. Prekindergarten program~~Early childhood education~~ - Authorization - Support.**

The board of a school district may establish a ~~prekindergarten~~ early childhood program and may ~~receive and expend any state moneys specifically appropriated for the program, any federal funds~~ support that program with:



- 1. Local tax revenues, other than those necessary to support the district's kindergarten program and the district's provision of elementary and high school educational services;
- 2. Federal moneys specifically appropriated or approved for the program; and ~~any gifts~~
- 3. Gifts, grants, and donations specifically given for the program.

**SECTION 4. AMENDMENT.** Section 15.1-09.1-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-09.1-02. Regional education association - Joint powers agreement - Review by superintendent of public instruction - Criteria.**

Before in order for a group of school districts may to be designated as a regional education association, the superintendent of public instruction shall review the joint powers agreement that the districts have entered and verify that: the requirements of this section have been met.

- 1. The school districts must:
  - a. Have a combined total land mass of at least five thousand eight hundred square miles [1502193 hectares];
  - b. (1) Have a combined total land mass of at least four thousand five hundred square miles [1165494 hectares]; and  
(2) Number at least twelve;
  - c. (1) Have a combined total land mass of at least four thousand square miles [1035995 hectares]; and  
(2) Have at least three thousand students in average daily membership; or
  - d. (1) Have a combined total land mass of at least one thousand five hundred square miles [388498 hectares]; and  
(2) Have at least seven thousand five hundred students in average daily membership.
- 2. The school districts ~~are~~ must be contiguous to each other or, if the districts are not contiguous to each other, the superintendent of public instruction shall verify that the participating districts can provide sound educational opportunities to their students in a fiscally responsible manner without injuring other school districts or regional education associations and without negatively impacting the ability of other school districts or regional education associations to provide sound educational opportunities to their students in a fiscally responsible manner. A decision by the superintendent of public instruction under this subsection may be appealed to the state board of public school education. A decision by the state board is final.
- 3. The joint powers agreement ~~requires~~ must require that the participating school districts maintain a joint operating fund ~~and share various administrative functions and student services in accordance with subsection 4.~~

6043

- 4. a. ~~During the first two school years in which a regional education association is operational, each participating school district shall share in at least two administrative functions and two student services, selected by the district.~~
- b. ~~During the third and fourth school years in which a regional education association is operational, each participating school district shall share in at least three administrative functions and three student services, selected by the district.~~
- c. ~~During the fifth school year in which a regional education association is operational, and each year thereafter, each participating school district shall share at least five administrative functions and five student services, selected by the district.~~
- d. For purposes of this subsection:
  - (1) "Administrative functions" means:
    - (a) Business management;
    - (b) Career and technical education services management;
    - (c) Curriculum mapping or development;
    - (d) Data analysis;
    - (e) Federal program support;
    - (f) Federal title program management;
    - (g) Grant writing;
    - (h) School improvement;
    - (i) School safety and environment management;
    - (j) Special education services management;
    - (k) Staff development;
    - (l) Staff retention and recruitment;
    - (m) Staff sharing;
    - (n) Technology support; and
    - (o) Any other functions approved by the superintendent of public instruction.
  - (2) "Student services" means:
    - (a) Advanced placement classes;
    - (b) Alternative high schools or alternative high school programs;
    - (c) Career and technical education classes;
    - (d) Counseling services;
    - (e) Common elementary curricula;

- (f) ~~Distance-learning classes;~~
- (g) ~~Dual-credit classes;~~
- (h) ~~Foreign-language classes;~~
- (i) ~~Library and media services;~~
- (j) ~~Summer programs;~~
- (k) ~~Supplemental instruction programs; and~~
- (l) ~~Any other services approved by the superintendent of public instruction.~~

e. ~~For purposes of this subsection, if a regional education association became operational before July 1, 2005, the 2005-06 school year must be considered the provider's first year of operation.~~

5. The joint powers agreement ~~provides~~must provide:

- a. Criteria for the future participation of school districts that were not parties to the original joint powers agreement;
- b. An application process by which school districts that were not parties to the original joint powers agreement can become participating districts; and
- c. A process by which school districts that were not parties to the original joint powers agreement and whose application to participate in the agreement was denied can appeal the decision to the superintendent of public instruction.

6-5. The joint powers agreement ~~provides~~must provide for the employment and compensation of staff.

7-6. The joint powers agreement must:

- a. ~~Establishes~~Establish the number of members on the governing board;
- b. ~~Establishes~~Establish the manner in which members of the governing board are determined;
- c. ~~Requires all members~~Require that each member of the governing board ~~or their designees to be individuals~~be an individual currently serving on the board of a participating school district or the designee of a participating school district's board; and
- d. ~~Allows~~Allow for the inclusion of ex officio nonvoting members on the governing board.

8-7. The joint powers agreement ~~provides~~must provide that the board of the regional education association shall meet at least quarterly.

9-8. The joint powers agreement ~~does~~may not permit the regional education association to compensate members of the regional education association board for attending meetings of the board and does not permit the regional education association to reimburse members of the board for any expenses incurred in attending meetings of the board.

**SECTION 5.** A new section to chapter 15.1-09.1 of the North Dakota Century Code is created and enacted as follows:

**Regional education association - Services to be offered.**

1. In order to be eligible for state funding, a regional education association must offer the following services to its member districts:
  - a. Coordination and facilitation of professional development activities for teachers and administrators employed by its member districts;
  - b. Supplementation of technology support services;
  - c. Assistance with achieving school improvement goals identified by the superintendent of public instruction;
  - d. Assistance with the collection, analysis, and interpretation of student achievement data; and
  - e. Assistance with the expansion and enrichment of curricular offerings.
2. Subsection 1 does not preclude a regional education association from offering additional services to its member districts.

**SECTION 6.** A new section to chapter 15.1-18.2 of the North Dakota Century Code is created and enacted as follows:

**Professional development advisory committee - Reimbursement of members.**

Each member of the professional development advisory committee is entitled to receive reimbursement for expenses as provided by law for state officers if the member is attending committee meetings, except that no member may receive reimbursement under this section for more than three committee meetings during each year of the biennium.

**SECTION 7.** A new section to chapter 15.1-18.2 of the North Dakota Century Code is created and enacted as follows:

**Teacher support program - Establishment.**

The education standards and practices board shall:

1. Establish and administer a teacher support program;
2. Employ an individual to serve as a teacher support program coordinator;
3. a. Select and train experienced teachers who will serve as mentors for first-year teachers and assist the first-year teachers with instructional skills development; or
  - b. If a school district or other employing entity listed in section 9 of this Act is not in need of mentors for its first-year teachers, select and train experienced teachers who will work with school district administrators and administrators from the other employing entities to identify the needs of the non-first-year teachers and help the non-first-year teachers address their particular needs through the use of:

(1) Research-validated interventions; and

(2) Proven instructional methods.

**SECTION 8.** A new section to chapter 15.1-18.2 of the North Dakota Century Code is created and enacted as follows:

**Teacher support program - Availability of services.**

The education standards and practices board may use any moneys it receives for the teacher support program to provide staff compensation, training, evaluation, and stipends for mentors and experienced teachers who assist first-year and non-first-year teachers participating in the program, and to pay for any other administrative expenses resulting from the program; provided, however, that the board may not expend more than five percent of the moneys for administrative purposes.

**SECTION 9.** A new section to chapter 15.1-18.2 of the North Dakota Century Code is created and enacted as follows:

**Teacher support program - Authorized service recipients.**

The education standards and practices board may provide support services to teachers employed by:

1. School districts;
2. Special education units;
3. Area career and technology centers;
4. Regional education associations; and
5. Schools funded by the bureau of Indian education.

**SECTION 10. AMENDMENT.** Section 15.1-21-02.1 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.1. High school graduation—Diplomadiploma - Minimum requirements.**

Except as provided in section 15.1-21-02.3, before a school district, a nonpublic high school, or the center for distance education issues a high school diploma to a student, the student must have successfully completed the following ~~twenty-two~~ units of high school coursework:

1. ~~Four units of English language arts from a sequence that includes literature, composition, and speech;~~
2. ~~Three units of mathematics;~~
3. ~~Three units of science, including:~~
  - a. ~~One unit of physical science;~~
  - b. ~~One unit of biology; and~~
  - c. ~~(1) One unit of any other science; or~~

- (2) ~~Two one-half units of any other science;~~
- 4. ~~Three units of social studies, including:~~
  - a. ~~One unit of United States history;~~
  - b. (1) ~~One-half unit of United States government and one-half unit of economics; or~~
  - (2) ~~One unit of problems of democracy; and~~
  - c. ~~One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;~~
- 5. a. ~~One unit of physical education; or~~
- b. ~~One-half unit of physical education and one-half unit of health;~~
- 6. ~~Three units of:~~
  - a. ~~Foreign languages;~~
  - b. ~~Native American languages;~~
  - c. ~~Fine arts; or~~
  - d. ~~Career and technical education courses; and~~
- 7. ~~Any five additional units.~~
  - 1. The twenty-two units of high school coursework set forth in section 11 of this Act; and
  - 2. Any additional units of high school coursework required by the issuing entity.

**SECTION 11.** A new section to chapter 15.1-21 of the North Dakota Century Code is created and enacted as follows:

**High school graduation - Minimum requirements.**

Except as provided in section 15.1-21-02.3, the following twenty-two units of high school coursework constitute the minimum requirement for high school graduation:

- 1. Four units of English language arts from a sequence that includes literature, composition, and speech;
- 2. Three units of mathematics;
- 3. Three units of science, including:
  - a. One unit of physical science;
  - b. One unit of biology; and
  - c. (1) One unit of any other science; or

- (2) Two one-half units of any other science;
- 4. Three units of social studies, including:
  - a. One unit of United States history;
  - b. (1) One-half unit of United States government and one-half unit of economics; or  
 (2) One unit of problems of democracy; and
  - c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;
- 5. a. One unit of physical education; or  
 b. One-half unit of physical education and one-half unit of health;
- 6. Three units of:
  - a. Foreign languages;
  - b. Native American languages;
  - c. Fine arts; or
  - d. Career and technical education courses; and
- 7. Any five additional units.

**SECTION 12. AMENDMENT.** Section 15.1-21-02.4 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.4. North Dakota career and technical education scholarship.**

Any resident student who graduates from a high school during or after the 2010-11 school year is eligible to receive a North Dakota career and technical education scholarship provided the student ~~completes all requirements set forth in subsections 1 through 5 and subsection 7 of section 15.1-21-02.1 for a high school diploma and:~~

- 1. Completed four units of English language arts from a sequence that includes literature, composition, and speech;
- 2. Completed three units of mathematics, including:
  - a. ~~Completes one~~One unit of algebra II, as defined by the superintendent of public instruction, ~~in fulfillment of the mathematics requirement set forth in subsection 2 of section 15.1-21-02.1; and~~
  - b. ~~Completes two~~Two units of any other mathematics;
- 3. Completed three units of science, including:
  - a. One unit of physical science;
  - b. One unit of biology; and

- c. (1) One unit of any other science; or  
 (2) Two one-half units of any other science;
- 4. Completed three units of social studies, including:
  - a. One unit of United States history;
  - b. (1) One-half unit of United States government and one-half unit of economics; or  
 (2) One unit of problems of democracy; and
  - c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;
- 5. a. Completed one unit of physical education; or  
 b. One-half unit of physical education and one-half unit of health;
- 6. Completed:
  - a. One unit selected from:
    - (1) Foreign languages;
    - (2) Native American languages;
    - (3) American sign language;
    - (4) Fine arts; or
    - (5) Career and technical education courses; and
  - b. Two units of a coordinated plan of study recommended by the department of career and technical education and approved by the superintendent of public instruction; and
- ~~e.7.~~ Completed any five additional units, two of which must be in the area of career and technical education;
- 2. ~~Obtains a grade of at least "C" in each unit or one-half unit required for the diploma;~~
- 3.8. a. (1) ~~Obtains~~Obtained a cumulative grade point average of at least "B"3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based on all high school units in which the student was enrolled; and  
 (2) Obtained a grade of at least "C" in each unit or one-half unit; or
- b. (1) Obtained a cumulative grade point average of at least 3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based only on the units required by subsections 1 through 7 of this section; and  
 (2) Obtained a grade of at least "C" in each unit or one-half unit; and



4.9. ~~Receives~~Received:

- a. A composite score of at least twenty-four on an ACT; or
- b. A score of at least five on each of three WorkKeys assessments recommended by the department of career and technical education and approved by the superintendent of public instruction.

**SECTION 13. AMENDMENT.** Section 15.1-21-02.5 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.5. North Dakota academic scholarship.**

Any resident student who graduates from a high school during or after the 2010-11 school year is eligible to receive a North Dakota academic scholarship provided the student ~~completes all requirements set forth in subsections 1 through 5 and subsection 7 of section 15.1-21-02.1 for a high school diploma and:~~

- 1. Completed four units of English language arts from a sequence that includes literature, composition, and speech;
- 2. Completed three units of mathematics, including:
  - a. ~~Completes one~~One unit of algebra II, as defined by the superintendent of public instruction, ~~in fulfillment of the mathematics requirement set forth in subsection 2 of section 15.1-21-02.1; and~~
  - b. ~~Completes one additional~~One unit of mathematics for which algebra II, as defined by the superintendent of public instruction, is a prerequisite; ~~and~~
- 3. ~~Completes~~Completed three units of science, including:
  - a. One unit of physical science;
  - b. One unit of biology; and
  - c. (1) One unit of any other science; or  
(2) Two one-half units of any other science;
- 4. Completed three units of social studies, including:
  - a. One unit of United States history;
  - b. (1) One-half unit of United States government and one-half unit of economics; or  
(2) One unit of problems of democracy; and
  - c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;
- 5. a. Completed one unit of physical education; or  
b. One-half unit of physical education and one-half unit of health;
- 6. a. Completed:

- (1) Two units of the same foreign or native American language;
- (2) ~~One unit of fine arts or career and technical education~~American sign language; and
- (3)b. One unit of a foreign or native selected from:
  - (1) Foreign languages;
  - (2) Native American language, fine languages;
  - (3) American sign language;
  - (4) Fine arts, or career, or
  - (5) Career and technical education;
- 2. ~~Obtains a grade of at least "C" in each unit or one-half unit required for the diploma;~~
- 3-7. ~~Obtains~~Completed any five additional units, one of which must be in the area of fine arts or career and technical education;
- 8. a. (1) ~~Obtained~~ Obtained a cumulative grade point average of at least "B"3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based on all high school units in which the student was enrolled; and
- (2) Obtained a grade of at least "C" in each unit or one-half unit; or
- b. (1) Obtained a cumulative grade point average of at least 3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based only on the units required by subsections 1 through 7 of this section; and
- (2) Obtained a grade of at least "C" in each unit or one-half unit;
- 4-9. ~~Receives~~Received a composite score of at least twenty-four on an ACT; and
- 6-10. a. ~~Completes~~Fulfilled any one unit requirement set forth in subsections 1 through 7 of this section by means of an advanced placement course and examination; or
- b. Fullfilled any one-half unit requirement set forth in subsections 1 through 7 of this section by means of a dual-credit course.

**SECTION 14. AMENDMENT.** Section 15.1-21-02.6 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.6. North Dakota scholarship - Amount - Applicability.**

- 1. a. The state board of higher education shall provide to any student certified as being eligible by the superintendent of public instruction either a North Dakota academic scholarship or a North Dakota career and technical education scholarship in the amount of seven hundred fifty dollars for each semester during which the student is enrolled full time at an accredited institution of higher education in this state and maintains a cumulative grade point average of 2.75.

- b. The state board of higher education shall provide to any student certified as being eligible by the superintendent of public instruction either a North Dakota academic scholarship or a North Dakota career and technical education scholarship in the amount of five hundred dollars for each quarter during which the student is enrolled full time at an accredited institution of higher education in this state and maintains a cumulative grade point average of 2.75.
- 2. A student is not entitled to receive more than six thousand dollars under this section.
- 3. The state board of higher education shall forward the scholarship directly to the institution in which the student is enrolled.
- 4. a. (1) This section does not require a student to be enrolled in consecutive semesters.  
 (2) This section does not require a student to be enrolled in consecutive quarters.
- b. However, a scholarship under this section is valid only for six academic years after the student's graduation from high school and may not be applied to graduate programs.
- 5. A scholarship under this section is available to any eligible student who graduates from a high school in this state or from a high school in a bordering state under chapter 15.1-29.

**SECTION 15.** A new section to chapter 15.1-21 of the North Dakota Century Code is created and enacted as follows:

**North Dakota scholarship - Eligibility - One-time exception.**

- 1. a. Notwithstanding section 15.1-21-02.6, if a student's cumulative grade point average as determined by the state board of higher education at the conclusion of a semester is below 2.75, the board shall grant an exception and provide the North Dakota scholarship to which the student would otherwise be entitled for the next semester in which the student is enrolled full time. The exception provided by this section is applicable to a student only one time.
- b. If a student's cumulative grade point average as determined by the state board of higher education at the conclusion of a semester is below 2.75 for a second time, the student is no longer eligible to receive any additional North Dakota scholarships.
- 2. a. Notwithstanding section 15.1-21-02.6, if a student's cumulative grade point average as determined by the state board of higher education at the conclusion of a quarter is below 2.75, the board shall grant an exception and provide the North Dakota scholarship to which the student would otherwise be entitled for the next quarter in which the student is enrolled full time. The exception provided by this section is applicable to a student only one time.
- b. If a student's cumulative grade point average as determined by the state board of higher education at the conclusion of a quarter is below

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2.75 for a second time, the student is no longer eligible to receive any additional North Dakota scholarships.

**SECTION 16.** A new section to chapter 15.1-21 of the North Dakota Century Code is created and enacted as follows:

**North Dakota scholarship fund - Biannual transfer - Continuing appropriation.**

1. Once each semester, the state board of higher education shall certify to the state treasurer the amount necessary to provide the North Dakota academic scholarships and the North Dakota career and technical education scholarships, as set forth in sections 15.1-21-02.4 and 15.1-21-02.5.
2. Upon receiving the certification, the state treasurer shall transfer the certified amount from the interest and other income of the lands and minerals trust fund to the North Dakota scholarship fund.
3. All moneys in the North Dakota scholarship fund are appropriated on a continuing basis to the state board of higher education for the exclusive purpose of providing North Dakota academic scholarships and North Dakota career and technical education scholarships.

**SECTION 17. AMENDMENT.** Section 15.1-21-08 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-08. Reading, mathematics, and science - Administration of test.**

1. ~~The superintendent of public instruction shall administer to public school students a test that is aligned to the state content and achievement standards in reading and mathematics. This test must be administered to all public school students in at least one grade level selected within each of the following grade spans: grades three through five; grades six through nine; and grades ten through twelve. Beginning no later than the 2005-06 school year and annually thereafter, the superintendent of public instruction shall administer the reading and mathematics test annually to all public school students in grades three, four, five, six, seven, eight, and eleven.~~
2. ~~Beginning no later than the 2007-08 school year and annually thereafter,~~ The superintendent of public instruction shall administer a test that is aligned to the state content and achievement standards in science. This test must be administered to all public school students in at least one grade level selected from three through five; in at least one grade level selected from six through nine; and in grade eleven. The superintendent of public instruction may not administer the grade eleven test after December first of each school year.

**SECTION 18. AMENDMENT.** Section 15.1-21-18 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-18. Career interest inventory - Educational and career planning - Consultation.**

1. A school district shall administer to students, once during their enrollment in grade seven or eight and once during their enrollment in grade nine or ten, a career interest inventory recommended by the department of career and technical education and approved by the superintendent of public instruction.
2. At least once during the seventh or eighth grade, each school district shall arrange for students to participate in either an individual consultative process or a nine-week course, for the purpose of discussing the results of their career interest inventory, selecting high school courses appropriate to their educational pursuits and career interests, and developing individual high school education plans.
3. Each school district shall notify its high school students that, upon request, a student is entitled to receive a consultative review of the student's individual high school education plan at least once during each high school grade. Upon the request of a student, the school district shall provide the consultative review.
4. Each school district shall verify compliance with the requirements of this section at the time and in the manner required by the superintendent of public instruction.

**SECTION 19. AMENDMENT.** Section 15.1-21-19 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-19. Summative assessment - Selection - Cost - Exemptions.**

1. Except as otherwise provided, each public and nonpublic school student in grade eleven shall take the ACT, including the writing test, or three WorkKeys assessments recommended by the department of career and technical education and approved by the superintendent of public instruction. The student shall determine which summative assessment to take. ~~The student's school district of residence~~superintendent of public instruction is responsible for the cost of procuring and administering one summative assessment and its administration per student.
2. The student's career advisor or guidance counselor shall meet with the student to review the student's assessment results.
3. A school district superintendent or a school administrator in the case of a nonpublic school student may exempt a student from the requirements of this section if taking the test is not required by the student's individualized education program plan or if other special circumstances exist.
4. ~~If the superintendent of public instruction determines that the cost of the summative assessment and its administration can be reduced through use of a state procurement process, the superintendent shall work with the school districts to procure and arrange for the administration of the assessment and shall withhold each district's share of the total cost from any state aid otherwise payable to the district.~~At the time and in the manner determined by the superintendent of public instruction, each

school district superintendent and each school administrator in the case of a nonpublic school shall report the number of eleventh grade students who:

- a. Took the ACT, including the writing test;
- b. Took the three WorkKeys assessments; and
- c. Were exempted from the requirements of this section, together with the reason for each exemption.

**SECTION 20. AMENDMENT.** Section 15.1-22-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-22-01. Kindergarten - Establishment by board - Request by parent - Levy.**

- 1. ~~Upon its own motion, the~~The board of a school district may establish a free public kindergarten.
- 2. ~~If the board receives a written request to provide kindergarten from the parent of a student who will be enrolled in the kindergarten, the board shall either provide at least a half-day kindergarten program for the student~~any student enrolled in the district or pay the tuition required for the student to attend at least a half-day kindergarten program in another school district.
- 3-2. The board of a school district that establishes a kindergarten under this section may levy a tax pursuant to subdivision p of subsection 1 of section 57-15-14.2.

**SECTION 21. AMENDMENT.** Section 15.1-27-03.1 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-03.1. (Effective through June 30, 2011) Weighted average daily membership -- Determination.**

- 1. ~~For each school district, the superintendent of public instruction shall multiply by:~~
  - a. ~~1.00 the number of full-time equivalent students enrolled in a migrant summer program;~~
  - b. ~~1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;~~
  - c. ~~0.60 the number of full-time equivalent students enrolled in a summer education program;~~
  - d. ~~0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;~~
  - e. ~~0.30 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and are enrolled in a program of instruction for English language learners;~~

- f. ~~0.25 the number of full-time equivalent students enrolled in an alternative high school;~~
  - g. ~~0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
  - h. ~~0.25 the number of full-time equivalent students enrolled in an isolated high school;~~
  - i. ~~0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-04;~~
  - j. ~~0.20 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be not proficient and are enrolled in a program of instruction for English language learners;~~
  - k. ~~0.17 the number of full-time equivalent students enrolled in an early childhood special education program;~~
  - l. ~~0.07 the number of students enrolled in average daily membership, in order to support the provision of special education services;~~
  - m. ~~0.07 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be somewhat proficient and are enrolled in a program of instruction for English language learners;~~
  - n. ~~0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; and~~
  - o. ~~0.002 the number of students enrolled in average daily membership, in order to support technology.~~
2. ~~The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.~~

**(Effective after June 30, 2014) Weighted average daily membership - Determination.**

- 1. For each school district, the superintendent of public instruction shall multiply by:
  - a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;
  - b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;
  - c. 0.60 the number of full-time equivalent students enrolled in a summer education program;
  - d. 0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;

- e. 0.30 the number of full-time equivalent students who-~~en~~:
  - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and placed in the first of six categories of proficiency; and-~~are~~
  - (2) Are enrolled in a program of instruction for English language learners;
- f. 0.25 the number of full-time equivalent students enrolled in an alternative high school;
- g. ~~0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
- h. ~~0.25 the number of full-time equivalent students enrolled in an isolated high school;~~
- i. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;
- ~~j-h.~~ 0.20 the number of full-time equivalent students who-~~en~~:
  - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be ~~not more~~ proficient than students placed in the first of six categories of proficiency and therefore placed in the second of six categories of proficiency; and-~~are~~
  - (2) Are enrolled in a program of instruction for English language learners;
- k-i. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;
- ~~t-j.~~ 0.070.10 the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average daily membership and the district consists of an area greater than two hundred seventy-five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students in average daily membership must be deemed to have an enrollment equal to fifty students in average daily membership;
- k. 0.073 the number of students enrolled in average daily membership, in order to support the provision of special education services;
- ~~m-l.~~ 0.07 the number of full-time equivalent students who-~~en~~:
  - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be ~~somewhat more~~ proficient and-~~are~~ than students placed in the second of six categories of proficiency and therefore placed in the third of six categories of proficiency;



- (2) Are enrolled in a program of instruction for English language learners; and
- (3) Have not been in the third of six categories of proficiency for more than three years;

m. 0.025 the number of students representing that percentage of the total number of students in average daily membership which is equivalent to the three-year average percentage of students in grades three through eight who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.];

n. 0.006 the number of students enrolled in average daily membership in each public school in the district that:

- (1) Has acquired and is utilizing the PowerSchool student information system;
- (2) Has acquired and is in the process of implementing the PowerSchool student information system; or
- (3) Will acquire the PowerSchool student information system during the current school year, provided the acquisition is contractually demonstrated; and

o. 0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; and

p. ~~0.002 the number of students enrolled in average daily membership, in order to support technology.~~

2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.

**SECTION 22. AMENDMENT.** Section 15.1-27-03.1 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-03.1. (Effective through June 30, 2011) Weighted average daily membership - Determination.**

- 1. ~~For each school district, the superintendent of public instruction shall multiply by:~~
  - a. ~~1.00 the number of full-time equivalent students enrolled in a migrant summer program;~~
  - b. ~~1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;~~
  - c. ~~0.60 the number of full-time equivalent students enrolled in a summer education program;~~
  - d. ~~0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;~~

- e. ~~0.30 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and are enrolled in a program of instruction for English language learners;~~
- f. ~~0.25 the number of full-time equivalent students enrolled in an alternative high school;~~
- g. ~~0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
- h. ~~0.25 the number of full-time equivalent students enrolled in an isolated high school;~~
- i. ~~0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;~~
- j. ~~0.20 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be not proficient and are enrolled in a program of instruction for English language learners;~~
- k. ~~0.17 the number of full-time equivalent students enrolled in an early childhood special education program;~~
- l. ~~0.07 the number of students enrolled in average daily membership, in order to support the provision of special education services;~~
- m. ~~0.07 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be somewhat proficient and are enrolled in a program of instruction for English language learners;~~
- n. ~~0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; and~~
- o. ~~0.002 the number of students enrolled in average daily membership, in order to support technology.~~

2. ~~The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.~~

**(Effective after June 30, 2011) Weighted average daily membership - Determination.**

1. For each school district, the superintendent of public instruction shall multiply by:
  - a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;
  - b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;
  - c. 0.60 the number of full-time equivalent students enrolled in a summer education program;

- d. 0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;
- e. 0.30 the number of full-time equivalent students who-~~en~~:
  - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and placed in the first of six categories of proficiency; and-are
  - (2) Are enrolled in a program of instruction for English language learners;
- f. 0.25 the number of full-time equivalent students enrolled in an alternative high school;
- g. ~~0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
- h. ~~0.25 the number of full-time equivalent students enrolled in an isolated high school;~~
- i. 0.20 the number of full-time equivalent students in grades six through eight enrolled in an alternative education program for at least an average of fifteen hours per week;
- h. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;
- h. 0.20 the number of full-time equivalent students who-~~en~~:
  - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be ~~not~~more proficient than students placed in the first of six categories of proficiency and therefore placed in the second of six categories of proficiency; and-are
  - (2) Are enrolled in a program of instruction for English language learners;
- k.j. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;
- t.k. ~~0.07~~ 0.10 the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average daily membership and the district consists of an area greater than two hundred seventy-five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students in average daily membership must be deemed to have an enrollment equal to fifty students in average daily membership;
- l. 0.073 the number of students enrolled in average daily membership, in order to support the provision of special education services;
- m. 0.07 the number of full-time equivalent students who-~~en~~;

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- (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be somewhat more proficient and are than students placed in the second of six categories of proficiency;
  - (2) Are enrolled in a program of instruction for English language learners; and
  - (3) Have not been in the third of six categories of proficiency for more than three years;
- n. 0.025 the number of students representing that percentage of the total number of students in average daily membership which is equivalent to the three-year average percentage of students in grades three through eight who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.];
- o. 0.006 the number of students enrolled in average daily membership in each public school in the district that:
- (1) Has acquired and is utilizing the PowerSchool student information system;
  - (2) Has acquired and is in the process of implementing the PowerSchool student information system; or
  - (3) Will acquire the PowerSchool student information system during the current school year, provided the acquisition is contractually demonstrated; and
- p. 0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; and
- p. ~~0.002 the number of students enrolled in average daily membership, in order to support technology.~~

2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.

**SECTION 23. AMENDMENT.** Section 15.1-27-04 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-04. Per student payment rate.**

- 1. a. The per student payment rate to which each school district is entitled for the first year of the biennium is three thousand ~~twenine~~ hundred thirty dollars.
  - b. The per student payment rate to which each school district is entitled for the second year of the biennium is three thousand ~~sevenine~~ hundred seventy-nineseventy dollars.
2. In order to determine the state aid payment to which each district is entitled, the superintendent of public instruction shall multiply each district's

weighted student units by the per student payment rate set forth in subsection 1.

**SECTION 24. AMENDMENT.** Section 15.1-27-07.2 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-07.2. Baseline funding - Determination - Minimum and maximum allowable increases.**

1. The superintendent of public instruction shall determine each school district's baseline funding per weighted student unit by:
  - a. Adding together all state aid received by the district during the 2006-07 school year;
  - b. Subtracting the amount received by the district during the 2006-07 school year for transportation aid, special education excess cost reimbursements, special education contracts, prior year funding adjustments, and per student payments for participation in educational associations governed by joint powers agreements; and
  - c. Dividing the amount determined under subdivision b by the district's 2007-08 weighted student units.
2. a. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, for the 2009-10 school year, is at least equal to one hundred eight percent of the baseline funding per weighted student unit, as established in subsection 1.
  - b. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, for each school year after the 2009-10 school year, is at least equal to one hundred twelve and one-half percent of the baseline funding per weighted student unit, as established in subsection 1.
3. a. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, less any amount received as equity payments under section 15.1-27-11 per weighted student unit, does not exceed, for the 2009-10 ~~2011-12~~ school year, one hundred ~~twentyfour~~ twentyfour percent of the baseline funding per weighted student unit, as established in subsection 1.
  - b. ~~The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, less any amount received as equity payments under section 15.1-27-11 per weighted student unit, does not exceed, for each school year after the 2009-10 school year, one hundred thirty four percent of the baseline funding per weighted student unit, as established in subsection 1.~~

**SECTION 25. AMENDMENT.** Section 15.1-27-11 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-11. Equity payments.**

1. The superintendent of public instruction shall:
  - a. Divide the imputed taxable valuation of the state by the total average daily membership of all school districts in the state in order to determine the state average imputed taxable valuation per student.
  - b. Divide the imputed taxable valuation of each school district by the district's total average daily membership in order to determine each district's average imputed taxable valuation per student.
  
2. If a school district's imputed taxable valuation per student is less than ninety percent of the statewide imputed taxable valuation per student, the superintendent of public instruction shall calculate the valuation deficiency by:
  - a. Determining the difference between ninety percent of the state average imputed taxable valuation per student and the district's average imputed taxable valuation per student; and
  - b. Multiplying that difference by the district's total average daily membership.
  
3. Except as provided in subsection 4, the equity payment to which a district is entitled under this section equals the district's valuation deficiency multiplied by the lesser of:
  - a. The district's general fund levy for the taxable year 2008; or
  - b. One hundred eighty-five mills.
  
4.
  - a. The equity payment to which a district is entitled may not exceed the district's taxable valuation multiplied by its general fund levy for the taxable year 2008.
  - b. If a district's general fund levy for the taxable year 2008 is less than one hundred eighty-five mills, the superintendent of public instruction shall subtract the district's general fund levy for the taxable year 2008 from one hundred eighty-five mills, multiply the result by the district's taxable valuation, and subtract that result from the equity payment to which the district is otherwise entitled.
  - c. If a district's imputed taxable valuation per student is less than fifty percent of the statewide imputed taxable valuation per student, the payment to which the district is entitled under this section may not be less than twenty percent of the statewide imputed taxable valuation per student times the school district's average daily membership, multiplied by one hundred eighty-five mills.
  
5. In determining the amount to which a school district is entitled under this section, the superintendent of public instruction may not include any payments received by the district as a result of Public Law No. 81-874 [64 Stat. 1100; 20 U.S.C. 236 et seq.] and may not include in the district's average daily membership students who are dependents of members of the armed forces and students who are dependents of civilian employees of the department of defense.

- 6. In determining the statewide average imputed taxable valuation per student for purposes of this section, the superintendent of public instruction may not include:
  - a. Any school district, which if included in the calculation would have an imputed taxable valuation per student that is three times greater than the statewide average imputed taxable valuation per student; and
  - b. Any school district, which if included in the calculation would have an imputed taxable valuation per student that is less than one-fifth of the statewide average imputed taxable valuation per student.
  
- 7. For purposes of this section:
  - a. "General fund levy" includes a district's high school transportation levy and its high school tuition levy.
  - b. "Imputed taxable valuation" means the valuation of all taxable real property in the district plus:
    - (1) An amount determined by dividing seventy percent of the district's mineral and tuition revenue, revenue from payments in lieu of property taxes on distribution and transmission of electric power, revenue from payments in lieu of taxes from electricity generated from sources other than coal; and revenue received on account of the leasing of lands acquired by the United States for flood control, navigation, and allied purposes in accordance with 33 U.S.C. 701c-3 by the district's general fund mill levy for the taxable year 2008; and
    - (2) An amount determined by dividing the district's revenue from mobile home taxes and telecommunications taxes by the district's general fund mill levy for the taxable year 2008.
  - c. "Mineral revenue" includes all revenue from county sources reported under code 2000 of the North Dakota school district financial accounting and reporting manual as developed by the superintendent of public instruction in accordance with section 15.1-02-08.
  - d. "Tuition revenue" includes all revenue reported under code 1300 of the North Dakota school district financial accounting and reporting manual as developed by the superintendent of public instruction in accordance with section 15.1-02-08. "Tuition revenue" does not include tuition income received specifically for the operation of an educational program provided at a residential treatment facility.

**SECTION 26. AMENDMENT.** Section 15.1-27-35.3 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-35.3. (Effective through June 30, 2011) Payments to school districts—Unobligated general fund balance—Report to legislative council.**

- 4. ~~The superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of fifty percent of its actual expenditures, plus twenty thousand dollars. Beginning July 1, 2008, the superintendent of~~

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~~public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty five percent of its actual expenditures, plus twenty thousand dollars.~~

- ~~2. In making the determination required by subsection 1, the superintendent of public instruction may not include in a district's unobligated general fund balance any moneys that:
 
  - a. (1) Were received by the district during the school year ending June 30, 2009, on account of the leasing of lands acquired by the United States for flood control, navigation, and allied purposes in accordance with 33 U.S.C. 701c-3, and
  - (2) Exceeded the amount received by the district during the school year ending June 30, 2008, for the purpose stated in paragraph 1;
  - b. Were received directly by the district from the United States government in accordance with the American Recovery and Reinvestment Act of 2009; or
  - c. Were received by the district as supplemental one-time grants under section 52 of S.L. 2009, ch. 175.~~
- ~~3. Any district having more than fifty thousand dollars excluded in the determination of its ending fund balance, as required by subsection 2, shall provide a report to the legislative council. The report, which must be presented at the time and in the manner directed by the legislative council, must address how the money was expended, including the number of mills by which the district was able to decrease its property taxes, if such was a permitted use.~~

**(Effective after June 30, 2011) Payments to school districts - Unobligated general fund balance.**

- 1. The superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of fifty percent of its actual expenditures, plus twenty thousand dollars. Beginning July 1, 2008, the superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty-five percent of its actual expenditures, plus twenty thousand dollars.
- 2. In making the determination required by subsection 1, the superintendent of public instruction may not include in a district's unobligated general fund balance any moneys that were received by the district from the federal education jobs fund program.

**SECTION 27.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:



**Supplemental teacher-effectiveness compensation plan.**

- 1. A representative organization authorized by a negotiating unit, as defined in subdivision b of subsection 2 of section 15.1-16-01, and the board of a school district may agree to pursue a supplemental teacher-effectiveness compensation plan for teachers in the negotiating unit.
- 2. The negotiating unit may include:
  - a. All teachers employed by the board to teach in the school district; or
  - b. All teachers employed by the board to teach at a particular school in the district.
- 3. For purposes of this section and the implementation of the supplemental teacher-effectiveness compensation plan, "teacher" means an individual defined in subdivision b of subsection 6 of section 15.1-02-13.

**SECTION 28.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Supplemental teacher-effectiveness compensation plan - Development committee - Membership.**

- 1. Upon agreeing to pursue a supplemental teacher-effectiveness compensation plan, the board of the school district and the representative organization shall form a committee to develop the plan. The membership of the committee must be agreed upon by the board of the school district and the representative organization.
- 2. At the initial meeting of the committee, the members shall establish rules of operation and procedure.
- 3. The committee formed under this section is a public entity for purposes of chapter 44-04.

**SECTION 29.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Supplemental teacher-effectiveness compensation plan - Required content.**

- 1. A supplemental teacher-effectiveness compensation plan developed under this section must:
  - a. Include only matters of compensation and may not include other terms or conditions of employment normally negotiated under chapter 15.1-16;
  - b. Provide for a determination of compensation that takes into account:
    - (1) Whether the school district has had difficulty filling a particular position with a suitable and highly qualified teacher;

- (2) Whether a teacher has advanced academic degrees or special skills and knowledge beyond those minimally required for a position;
  - (3) Whether a teacher has pursued certified professional development activities beyond those minimally required for a position;
  - (4) Whether a teacher has assumed responsibilities that are beyond those minimally required for a position; and
  - (5) Various measures of student growth, including academic growth;
  - c. Include a rigorous and objective system of teacher evaluation that equitably links an individual's performance to the opportunity for additional compensation; and
  - d. Ensure that no teacher subject to the plan will receive less total compensation than that teacher was eligible to receive under the last contract negotiated under chapter 15.1-16.
2. A supplemental teacher-effectiveness compensation plan is not subject to a declaration of impasse under chapter 15.1-16.

**SECTION 30.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Supplemental teacher-effectiveness compensation plan - Review panel - Duties.**

- 1. Upon agreeing to a supplemental teacher-effectiveness compensation plan, the plan development committee shall forward the plan to a panel consisting of:
  - a. Two employees of the department of public instruction, selected by the superintendent of public instruction;
  - b. Two individuals appointed by the North Dakota council of educational leaders;
  - c. Two individuals appointed by the North Dakota education association; and
  - d. Two individuals appointed by the North Dakota school boards association.
- 2. Beginning April 1, 2012, the panel shall review each plan that is submitted to ensure that it meets the requirements of section 29 of this Act and then, comparing all eligible plans, recommend for funding those that have the greatest potential to increase teacher effectiveness through supplemental compensation.
- 3. If the cost of funding all of the plans recommended by the panel exceeds the resources made available, the superintendent of public instruction, with the advice of the review panel, shall select for funding plans that were developed in districts of varying size. For purposes of this section, the superintendent of public instruction shall consider a district to be:

- a. Small, if it has fewer than one thousand weighted student units;
- b. Medium, if it has at least one thousand but fewer than five thousand weighted student units; and
- c. Large, if it has at least five thousand weighted student units.

**SECTION 31.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Supplemental teacher-effectiveness compensation plan - Determination of funding - Minimum amount.**

- 1. If a plan is selected for funding, the superintendent of public instruction shall determine the amount to which the submitting district is entitled for use as supplemental teacher-effectiveness compensation. The superintendent shall:
  - a. Multiply the number of students in average daily membership instructed by the number of full-time equivalent teachers participating in the district's supplemental teacher-effectiveness compensation plan during the 2012-13 school year;
  - b. Multiply the result determined under subdivision a by a factor of 0.04; and
  - c. Apply the school district size weighting factor as set forth in section 15.1-27-03.2 to the result determined under subdivision b.
- 2. Notwithstanding subsection 1, if a plan is selected for funding, the minimum amount to which a submitting district is entitled for use as supplemental teacher-effectiveness compensation is two thousand dollars multiplied by the number of full-time equivalent teachers participating in the district's plan.

**SECTION 32.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Administrative costs.**

A school district may use up to five percent of the moneys it receives for its supplemental teacher-effectiveness compensation plan to pay for any additional expenses it has incurred in administering the supplemental teacher-effectiveness compensation plan.

**SECTION 33.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Supplemental teacher-effectiveness compensation plan - Review panel - Additional duties.**

In addition to the duties set forth in section 30 of this Act, the review panel shall:

- 1. Develop and distribute guidelines pertaining to the creation of supplemental teacher-effectiveness compensation plans;

- 2. Upon request meet with and advise plan development committees pursuing the creation of supplemental teacher-effectiveness compensation plans; and
- 3. Provide advice to the superintendent of public instruction regarding the hiring of any employees or the selection of any contractors whose duties will be related to supplemental teacher-effectiveness compensation.

**SECTION 34.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Annual report - Required content.**

- 1. Any school district that receives state moneys to implement a supplemental teacher-effectiveness compensation plan shall file an annual report with the superintendent of public instruction, at the time and in the manner directed by the superintendent. The report must address whether the plan has:
  - a. Alleviated difficulty filling particular positions with suitable and highly qualified teachers;
  - b. Encouraged teachers to pursue advanced academic degrees or acquire special skills and knowledge beyond those minimally required for a position;
  - c. Encouraged teachers to pursue certified professional development activities beyond those minimally required for a position;
  - d. Encouraged teachers to assume additional responsibilities that are beyond those minimally required for a position; and
  - e. Resulted in measurable student growth, including academic growth.
- 2. The report also must include suggestions for modifications to the plan, if appropriate.
- 3. The representative organization shall indicate in writing its agreement with the report and the suggestions for modifications, as submitted by the school district in accordance with this section, or provide to the superintendent of public instruction a separate report together with any suggestions for modifications.
- 4. If the school district and the representative organization agree to recommend continuation of the plan, with or without modification, the report must contain a request for continued funding.
- 5. The superintendent of public instruction shall provide copies of the report to the plan review panel established by section 30 of this Act.

**SECTION 35.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Existing contracts - Terms - Effect.**

1. The terms of any contract entered before July 1, 2011, between the board of a school district and a representative organization in accordance with chapter 15.1-16, remain in force and effect for the duration of the contract.
2. A supplemental teacher-effectiveness compensation plan authorized by this Act may take effect on July 1, 2012.

**SECTION 36.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Plan review panel - Reimbursement for expenses.**

Each member of the supplemental teacher-effectiveness compensation plan review panel is entitled to receive reimbursement for expenses as provided by law for state officials if the member is attending meetings or performing duties directed by the panel.

**SECTION 37. AMENDMENT.** Section 15.1-36-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-36-02. School construction projects - Loans.**

1. The board of university and school lands may authorize the use of moneys in the coal development trust fund established pursuant to section 21 of article X of the Constitution of North Dakota and subsection 1 of section 57-62-02 to provide school construction loans, as described in this chapter. The outstanding principal balance of loans under this chapter may not exceed fifty million dollars. The board may adopt policies and rules governing school construction loans.
2. In order to be eligible for a loan under this section, the board of a school district shall:
  - a. Propose a construction project with a cost of at least one million dollars and an expected utilization of at least thirty years;
  - b. Obtain the approval of the superintendent of public instruction for the construction project under section 15.1-36-01; and
  - c. Submit to the superintendent of public instruction an application containing all information deemed necessary by the superintendent, including potential alternative sources or methods of financing the construction project.
3. The superintendent of public instruction shall give priority to any district that meets the requirements for receipt of an equity payment under section 15.1-27-11.
4. If an eligible school district's imputed taxable valuation per student is less than eighty percent of the state average imputed valuation per student, the district is entitled to receive:
  - a. A school construction loan equal to the lesser of ~~eight~~twelve million dollars or eighty percent of the actual project cost;

- b. An interest rate discount equal to at least fiftyone hundred but not more than two hundred fifty basis points below the prevailing tax-free bond rates; and
  - c. A term of repayment that may extend up to twenty years.
5. If an eligible school district's imputed taxable valuation per student is equal to at least eighty percent but less than ninety percent of the state average imputed taxable valuation per student, the district is entitled to receive:
- a. A school construction loan equal to the lesser of seventen million dollars or seventy percent of the actual project cost;
  - b. An interest rate buydown equal to at least fiftyone hundred but not more than two hundred fifty basis points below the prevailing tax-free bond rates; and
  - c. A term of repayment that may extend up to twenty years.
6. If an eligible school district's imputed taxable valuation per student is equal to at least ninety percent of the state average imputed taxable valuation per student, the district is entitled to receive:
- a. A school construction loan equal to the lesser of twofour million five hundred thousand dollars or thirty percent of the actual project cost;
  - b. An interest rate discount equal to at least fiftyone hundred but not more than two hundred fifty basis points below the prevailing tax-free bond rates; and
  - c. A term of repayment that may extend up to twenty years.
7. The board of a school district may submit its loan application to the superintendent of public instruction before or after receiving authorization of a bond issue in accordance with chapter 21-03. If the vote to authorize a bond issue precedes the application for a loan, the application must be acted upon by the superintendent expeditiously but no later than one hundred eighty days from the date it is received by the superintendent.
8. The superintendent of public instruction shall consider each loan application in the order it received approval under section 15.1-36-01.
9. If the superintendent of public instruction approves the loan, the superintendent may determine the loan amount, the term of the loan, and the interest rate, in accordance with the requirements of this section.
10. The superintendent of public instruction may adopt rules governing school construction loans.
11. For purposes of this section, a construction project means the purchase, lease, erection, or improvement of any structure or facility by a school board, provided the acquisition or activity is within a school board's authority.

**SECTION 38. AMENDMENT.** Section 15.1-37-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-37-01. Early childhood education program - Approval.**

- 1. Any person or school district operating an early childhood education program may request approval of the program from the superintendent of public instruction. The superintendent shall approve an early childhood education program if the program:
  - ~~4~~-a. Is taught by individuals who are licensed to teach in early childhood education by the education standards and practices board;
  - 2-b. Follows a developmentally appropriate curriculum; ~~and~~
  - ~~3~~-c. Is in compliance with all municipal and state health, fire, and safety requirements; and
  - d. Limits its enrollment to children who have reached the age of four before August first in the year of enrollment.
- 2. ~~Per student funding will not be provided to individuals or school districts offering a prekindergarten. In determining the state aid payments to which a school district is entitled, the superintendent of public instruction may not count any student enrolled in a regular early childhood education program.~~

**SECTION 39. AMENDMENT.** Subsection 1 of section 15.1-37-02 of the North Dakota Century Code is amended and reenacted as follows:

- 1. The North Dakota early childhood education council consists of:
  - a. A chairman appointed by the governor;
  - b. The superintendent of public instruction, or the superintendent's designee;
  - c. The state health officer, or the officer's designee;
  - d. The director of the department of human services, or the director's designee;
  - e. The North Dakota head start - state collaboration administrator, or the administrator's designee;
  - f. The commissioner of higher education, or the commissioner's designee;
  - g. The commissioner of commerce, or the commissioner's designee;
  - h. The chairman of the senate education committee, or the chairman's designee;
  - ~~h~~-i. The chairman of the house of representatives education committee, or the chairman's designee; and
  - ~~h~~-j. The following gubernatorial appointees:
    - (1) The superintendent of a school district having at least one thousand students in average daily membership;
    - (2) The superintendent of a school district having fewer than one thousand students in average daily membership;

- (3) The superintendent of a school district headquartered on a reservation or including reservation land within its boundaries;
- (4) ~~The principal of a school district;~~
- (5) ~~An individual employed as an elementary school teacher;~~
- (6) An individual representing a non-religious-based provider of preschool/early childhood education;
- (7)(5) An individual representing a religious-based provider of preschool/early childhood education;
- (8)(6) An individual representing a center-based licensed child care provider;
- (9)(7) An individual representing a home-based licensed child care provider;
- (10)(8) An individual representing a reservation-based head start program;
- (11)(9) An elected member of a school board;
- (12)(10) The parent of a child not yet enrolled in elementary school; ~~and~~
- (13)(11) The parent of a child with special needs/disabilities not yet enrolled in elementary school; ~~and~~
- (12) An individual representing children with disabilities.

**SECTION 40. AMENDMENT.** Section 15.1-37-03 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-37-03. Council - Duties.**

The council shall:

- 1. Review the delivery/availability and provision of early childhood education, care, and services in this state;
- 2. ~~Conduct a needs assessment;~~
- 3. ~~Review early childhood education standards and propose revisions to the standards as needed;~~
- 4. ~~Review/~~Identify opportunities for public and private sector collaboration in the delivery/provision of early childhood education, care, and services in this state;
- 5. ~~Develop a comprehensive plan governing the delivery of early childhood education in this state; and~~
- 6-3. Identify ways to assist with the recruitment and retention of individuals interested in working as providers of early childhood education, care, and services, including training and continuing education or professional development opportunities;



- 4. Seek the advice and guidance of individuals who are uniquely familiar with the nature, scope, and associated challenges of providing early childhood education, care, and services in geographically and socioeconomically diverse settings, and develop recommendations pertaining to the short-term and longer-term improvement and expansion of early childhood education, care, and services in this state; and
- 5. Provide a biennial report regarding its activities findings and recommendations to the governor and the legislative council assembly.

**SECTION 41. AMENDMENT.** Section 57-15-14 of the North Dakota Century Code is amended and reenacted as follows:

**57-15-14. General fund levy limitations in school districts.**

The aggregate amount levied each year for the purposes listed in section 57-15-14.2 by any school district, except the Fargo school district, may not exceed the amount in dollars which the school district levied for the prior school year plus twelve percent up to a general fund levy of one hundred eighty-five mills on the dollar of the taxable valuation of the district, except that:

- 1. In any school district having a total population in excess of four thousand according to the last federal decennial census there may be levied any specific number of mills that upon resolution of the school board has been submitted to and approved by a majority of the qualified electors voting upon the question at any regular or special school district election.
- 2. In any school district having a total population of fewer than four thousand, there may be levied any specific number of mills that upon resolution of the school board has been approved by fifty-five percent of the qualified electors voting upon the question at any regular or special school election.
- 3. After June 30, 2009, in any school district election for approval by electors of increased levy authority under subsection 1 or 2, the ballot must specify the number of mills proposed for approval, and the number of taxable years for which that approval is to apply. After June 30, 2009, approval by electors of increased levy authority under subsection 1 or 2 may not be effective for more than ten taxable years.
- 4. The authority for a levy of up to a specific number of mills under this section approved by electors of a school district before July 1, 2009, is terminated effective for taxable years after 2015. If the electors of a school district subject to this subsection have not approved a levy for taxable years after 2015 of up to a specific number of mills under this section by December 31, 2015, the school district levy limitation for subsequent years is subject to the limitations under section 57-15-01.1 or this section.
- 5. The authority for an unlimited levy approved by electors of a school district before July 1, 2009, is terminated effective for taxable years after 2015. If the electors of a school district subject to this subsection have not approved a levy of up to a specific number of mills under this section by December 31, 2015, the school district levy limitation for subsequent years is subject to the limitations under section 57-15-01.1 or this section.

- 6. A school district that experiences a rapidly increasing taxable valuation may levy, for the taxable year of the rapidly increasing taxable valuation and the next taxable year, the amount in dollars which the school district levied for the prior school year plus eighteen percent, up to a general fund levy of one hundred eighty-five mills on the dollar of the taxable valuation of the district. For purposes of this subsection, "rapidly increasing taxable valuation" means an increase of twenty percent or more in taxable valuation from the immediately preceding taxable year.

The question of authorizing or discontinuing such specific number of mills authority in any school district must be submitted to the qualified electors at the next regular election upon resolution of the school board or upon the filing with the school board of a petition containing the signatures of qualified electors of the district equal in number to ten percent of the number of electors who cast votes in the most recent election in the school district. However, not fewer than twenty-five signatures are required. However, the approval of discontinuing such authority does not affect the tax levy in the calendar year in which the election is held. The election must be held in the same manner and subject to the same conditions as provided in this section for the first election upon the question of authorizing the mill levy.

**SECTION 42. ISOLATED SCHOOLS - TRANSITION PAYMENTS.**

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

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

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

**SECTION 43. TRANSPORTATION GRANTS - DISTRIBUTION.**

1. During each year of the 2011-13 biennium, the superintendent of public instruction shall calculate the payment to which each school district is entitled based on the state transportation formula as it existed on June 30,

2001, except that the superintendent shall provide reimbursement at the rate of:

- a. One dollar and three cents per mile for schoolbuses having a capacity of ten or more passengers;
  - b. Forty-six cents per mile for vehicles having a capacity of nine or fewer passengers;
  - c. Forty-six cents per mile, provided:
    - (1) The student being transported is a student with a disability, as defined in chapter 15.1-32;
    - (2) The student's individualized education program plan requires that the student attend a public or a nonpublic school located outside the student's school district of residence;
    - (3) The student is transported by an adult member of the student's family;
    - (4) The student is transported in a vehicle furnished by the student's parents;
    - (5) The student's transportation is paid for by the student's parents; and
    - (6) The reimbursement does not exceed two round trips daily between the student's home and school.
  - d. Forty-six cents per mile, one way, provided:
    - (1) The student being transported resides more than two miles from the public school that the student attends;
    - (2) The student is transported by an adult member of the student's family;
    - (3) The student is transported in a vehicle furnished by the student's parents; and
    - (4) The student's transportation is paid for by the student's parents; and
  - e. Twenty-six cents per student for each one-way trip.
2. The superintendent of public instruction shall use the latest available student enrollment count in each school district in applying the provisions of subsection 1.
  3. If any moneys provided for transportation payments in the grants transportation line item in the appropriation bill for the superintendent of public instruction, as approved by the sixty-second legislative assembly, remain after application of the formula provided for in this section, the superintendent of public instruction shall prorate the remaining amounts according to the percentage of the total transportation formula amount to which each school district is entitled.

- 4. This section does not authorize the reimbursement of any costs incurred in providing transportation for student attendance at extracurricular activities or events.

**SECTION 44. SCHOOL DISTRICT RAPID ENROLLMENT GROWTH -**

**GRANT.** During the 2011-13 biennium, the superintendent of public instruction shall expend up to \$5,000,000 from the grants - state school aid line item in the appropriation bill for the superintendent of public instruction, as approved by the sixty-second legislative assembly, for the purpose of providing a grant to any school district that can demonstrate rapid enrollment growth in accordance with this section.

- 1. If the number of full-time equivalent students enrolled in a school district has increased by at least three percent annually and if that increase is equal to at least twenty-five full-time equivalent students, as demonstrated by the district's September tenth fall enrollment report, the district is entitled to receive a grant equal to thirty percent of the per student payment provided for in section 15.1-27-04 multiplied by the actual increase in its full-time equivalent student enrollment.
- 2. If the number of full-time equivalent students enrolled in a school district has increased by at least seven percent annually and if that increase is equal to at least twenty-five full-time equivalent students, as demonstrated by the district's September tenth fall enrollment report, the district is entitled to receive a grant equal to seventy percent of the per student payment provided for in section 15.1-27-04 multiplied by the actual increase in its full-time equivalent student enrollment.
- 3. If the number of full-time equivalent students enrolled in a school district has increased by at least thirteen percent annually and if that increase is equal to at least twenty-five full-time equivalent students, as demonstrated by the district's September tenth fall enrollment report, the district is entitled to receive a grant equal to the per student payment provided for in section 15.1-27-04 multiplied by the actual increase in its full-time equivalent student enrollment.
- 4. If the amount of the expenditure provided for in this section is insufficient to meet the obligations of this section, the superintendent of public instruction shall prorate the payment based on the percentage of the total amount to which each school district is entitled.
- 5. A district may not receive more than \$800,000 annually in accordance with this section.

**SECTION 45. USE OF NEW MONEY - TEACHER COMPENSATION INCREASES - REPORTS TO THE LEGISLATIVE MANAGEMENT.**

- 1. During the 2011-13 biennium, the board of each school district shall use an amount equal to at least seventy percent of all new money received by the district for per student payments to increase the compensation paid to teachers and to provide compensation to teachers who begin employment with the district on or after July 1, 2011.

2. For purposes of this section, the superintendent of public instruction shall calculate the amount of new money received by a district during the 2011-13 biennium by:
  - a. Determining the total amount of state dollars received by each district during the 2009-11 biennium as per student payments, provided that equity payments, transportation payments, contingency distributions, mill levy reduction payments, and technology support payments are not to be included in the total;
  - b. Determining the total amount of state dollars received by each district during the 2011-13 biennium as per student payments, provided that the following are not to be included in the total:
    - (1) Contingent distributions;
    - (2) Cross-border attendance moneys;
    - (3) Deferred maintenance and physical plant improvements grants;
    - (4) Equity payments;
    - (5) Federal education jobs funds program moneys;
    - (6) Home-based education program monitoring moneys;
    - (7) Mill levy reduction payments;
    - (8) PowerSchool acquisition, implementation, and utilization moneys;
    - (9) Regional education association moneys and grants; and
    - (10) Transportation payments; and
  - c. Subtracting the amount arrived at under subdivision a from the amount arrived at under subdivision b.
3. School districts providing educational services under a cooperative agreement approved by the superintendent of public instruction must, for purposes of this section, be treated as a single district.
4.
  - a. This section does not apply to a school district if the board of the school district, after a public hearing at which public testimony and documentary evidence are accepted, determines in its discretion and by an affirmative vote of two-thirds of the members of the board that complying with subsection 1 would place the school district in the position of having insufficient fiscal resources to meet the school district's other obligations.
  - b. Within ten days of the vote required by subdivision a, the school board shall notify the superintendent of public instruction of its action and shall file a report detailing the grounds for its determination and action.
  - c. The superintendent of public instruction shall report all notices received under this subsection to the legislative management.

**SECTION 46. CONTINGENT MONEY.** If any money appropriated to the superintendent of public instruction for state aid payments to school districts remains

after the superintendent complies with all statutory payment obligations imposed for the biennium beginning July 1, 2011, and ending June 30, 2013, the superintendent shall use the remaining moneys to provide additional per student payments on a prorated basis according to the latest available average daily membership of each school district.

**SECTION 47. CONTINGENT TRANSFER BY BANK OF NORTH DAKOTA FOR SPECIAL EDUCATION.** If during the biennium beginning July 1, 2011, and ending June 30, 2013, the superintendent of public instruction determines that, using all available sources, there are insufficient funds with which to fully reimburse school districts for the excess costs of serving the one percent of special education students statewide who require the greatest school district expenditures in order to be provided with special education and related services, the industrial commission shall transfer from the earnings and accumulated and undivided profits of the Bank of North Dakota the amount the superintendent of public instruction certifies is necessary to provide the statutorily required level of reimbursement. The superintendent of public instruction shall file for introduction legislation requesting that the sixty-third legislative assembly return any amount transferred under this section to the Bank of North Dakota.

**SECTION 48. LEGISLATIVE MANAGEMENT STUDY - ADULT EDUCATION.** During the 2011-12 interim, the legislative management shall consider studying the provision and funding of adult education. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-third legislative assembly.

**SECTION 49. EDUCATION FUNDING AND TAXATION COMMITTEE - STUDY.**

1. The education funding and taxation committee consists of:
  - a. The following nine voting members:
    - (1) The chairman of the house education committee, or the chairman's designee;
    - (2) The chairman of the house finance and taxation committee, or the chairman's designee;
    - (3) The chairman of the senate education committee, or the chairman's designee;
    - (4) The chairman of the senate finance and taxation committee, or the chairman's designee; and
    - (5) Five legislators appointed by the chairman of the legislative management; and
  - b. The following five nonvoting members:
    - (1) The tax commissioner or the commissioner's designee;
    - (2) The superintendent of public instruction or the superintendent's designee;
    - (3) A representative of the governor, selected by the governor; and

- (4) Two school district business managers, appointed by the legislative management.
- 2. The chairman of the legislative management shall select one from among the voting members to serve as the chairman of the committee.
- 3. The committee shall establish its own rules of operation and procedure.
- 4. The committee may form workgroups, task forces, and subcommittees to seek additional information and outside expertise.
- 5.
  - a. Each member of the committee and any individual requested by the chairman to serve on a workgroup, task force, or subcommittee is entitled to receive reimbursement for actual and necessary expenses incurred in the same manner as state officials.
  - b. Each member of the legislative assembly who serves on the committee is entitled to receive per diem compensation as provided for in section 54-03-20, if the member is attending meetings or performing other duties as directed by the chairman.
- 6. The committee shall examine short-term and longer-term state and local involvement in funding elementary and secondary education. The committee shall report its findings, together with any legislation required to implement the recommendations, to the sixty-third legislative assembly.

**SECTION 50. SUPPLEMENTAL TEACHER-EFFECTIVENESS COMPENSATION PLANS - EXEMPTION - CARRYOVER AUTHORITY.** Section 54-44.1-11 does not apply to any moneys included in the grants - state school aid line item in the appropriation bill for the superintendent of public instruction, as approved by the sixty-second legislative assembly, for the purpose of funding supplemental teacher-effectiveness compensation plans during the 2011-13 biennium. Any moneys not expended by June 30, 2013, must be continued and expended only for the purpose of funding supplemental teacher-effectiveness compensation plans during the biennium beginning July 1, 2013, and ending June 30, 2015.

**SECTION 51. REPEAL.** Section 6 of this Act and sections 15.1-18.2-01, 15.1-18.2-02, and 15.1-18.2-03 of the North Dakota Century Code are repealed.

**SECTION 52. REPEAL.** Section 15.1-27-15 of the North Dakota Century Code is repealed.

**SECTION 53. EFFECTIVE DATE.** Sections 22 and 51 of this Act become effective on July 1, 2013.

**SECTION 54. EXPIRATION DATE.** Sections 27 through 36 of this Act are effective through June 30, 2013, and after that date are ineffective."

Renumber accordingly

Date: 03-28-11  
 Roll Call Vote #: 4

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
 BILL/RESOLUTION NO. 2150

House EDUCATION Committee

Check here for Conference Committee

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

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt  
 Amendment

Rerefer to Appropriations  Reconsider

Motion Made By REP HEILMAN Seconded By MEIER

Representatives	Yes	No	Representatives	Yes	No
Chairman Kelsch	X		Rep. Hanson		X
Vice Chairman Meier	X		Rep. Hunsakor	X	
Rep. Heilman	X		Rep. Mock	X	
Rep. Heller		X	Rep. Mueller	X	
Rep. Johnson	X				
Rep. Karls	X				
Rep. Rohr		X			
Rep. Rust	X				
Rep. Sanford	X				
Rep. Schatz		X			
Rep. Wall	X				

Total (Yes) 11 No 4

Absent 0

Floor Assignment CHAIRMAN KELSCH

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



**REPORT OF STANDING COMMITTEE**

**SB 2150, as reengrossed: Education Committee (Rep. R. Kelsch, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (11 YEAS, 4 NAYS, 0 ABSENT AND NOT VOTING). Reengrossed SB 2150 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 15.1-09.1, four new sections to chapter 15.1-18.2, three new sections to chapter 15.1-21, and ten new sections to chapter 15.1-27 of the North Dakota Century Code, relating to regional education associations, the professional development advisory committee, North Dakota scholarships, and supplemental teacher-effectiveness compensation; to amend and reenact sections 15.1-06-04, 15.1-07-33, 15.1-09-58, 15.1-09.1-02, 15.1-21-02.1, 15.1-21-02.4, 15.1-21-02.5, 15.1-21-02.6, 15.1-21-08, 15.1-21-18, 15.1-21-19, 15.1-22-01, 15.1-27-03.1, 15.1-27-04, 15.1-27-07.2, 15.1-27-11, 15.1-27-35.3, 15.1-36-02, and 15.1-37-01, subsection 1 of section 15.1-37-02, and sections 15.1-37-03 and 57-15-14 of the North Dakota Century Code, relating to the school calendar, technology, regional education associations, curriculum requirements, assessments, scholarships, student consultations, state aid, school construction funding, early childhood education, care, and services, and taxable valuations; to repeal Section 6 of this Act and sections 15.1-18.2-01, 15.1-18.2-02, 15.1-18.2-03, and 15.1-27-15 of the North Dakota Century Code, relating to professional development and isolated schools; to provide a continuing appropriation; to provide for compensation increases, transition payments, contingent payments, carryover authority, and the distribution of transportation grants and rapid enrollment growth grants; to provide for legislative management studies; to provide an effective date; and to provide an expiration date.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. AMENDMENT.** Section 15.1-06-04 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-06-04. School calendar - Length.**

1. During the 2009-10 school year, a school district shall provide for a school calendar of at least one hundred eighty days.
  - a. One hundred seventy-three days must be used for instruction;
  - b. Three days must be used for holidays, as selected by the school board in consultation with district teachers from the list provided for in subdivisions b through j of subsection 1 of section 15.1-06-02;
  - c. Up to two days must be used for:
    - (1) Parent-teacher conferences; or
    - (2) Compensatory time for parent-teacher conferences held outside regular school hours; and
  - d. Two days must be used for professional development.
2. ~~During~~Beginning with the 2010-11 school year, a school district shall provide for a school calendar of at least one hundred eighty-one days.
  - a. One hundred seventy-four days must be used for instruction;

- b. Three days must be used for holidays, as selected by the board in consultation with district teachers from the list provided for in subdivisions b through j of subsection 1 of section 15.1-06-02;
    - c. Up to two days must be used for:
      - (1) Parent-teacher conferences; or
      - (2) Compensatory time for parent-teacher conferences held outside of regular school hours; and
    - d. Two days must be used for professional development.
  3. Beginning with the ~~2011-12~~2012-13 school year, a school district shall provide for a school calendar of at least one hundred eighty-two days.
    - a. One hundred seventy-five days must be used for instruction;
    - b. Three days must be used for holidays, as selected by the board in consultation with district teachers from the list provided for in subdivisions b through j of subsection 1 of section 15.1-06-02;
    - c. Up to two days must be used for:
      - (1) Parent-teacher conferences; or
      - (2) Compensatory time for parent-teacher conferences held outside of regular school hours; and
    - d. Two days must be used for professional development.
  4. A day for professional development must consist of:
    - a. Six hours of professional development, exclusive of meals and other breaks, conducted within a single day; or
    - b. Two four-hour periods of professional development, exclusive of meals and other breaks, conducted over two days.
  5. If a school district offers a four-hour period of professional development, as permitted in subdivision b of subsection 4, the school district may schedule instruction during other available hours on that same day and be credited with providing one-half day of instruction to students. This subsection does not apply unless the one-half day of instruction equals at least one-half of the time required for a full day of instruction, as defined in this section.
  6.
    - a. In meeting the requirements for two days of professional development under this section, a school district may require that its teachers attend the North Dakota education association instructional conference and may pay teachers for attending the conference, provided their attendance is verified.
    - b. In meeting the requirements for two days of professional development under this section, a school district may consider attendance at the North Dakota education association instructional conference to be optional, elect not to pay teachers for attending the instructional conference, and instead direct any resulting savings toward providing alternate professional development opportunities.

- c. A school district may not require the attendance of teachers in school or at any school-sponsored, school-directed, school-sanctioned, or school-related activities and may not schedule classroom instruction time nor alternate professional development activities on any day that conflicts with the North Dakota education association instructional conference.
7. Beginning with the 2010-11 school year, if a school district elects to provide an optional third day of professional development, the school district shall do so by:
  - a. Meeting the requirements for a day of professional development as set forth in subsection 4, or
  - b. Shortening four instructional days, for the purpose of providing for two-hour periods of professional development, provided:
    - (1) Each instructional day on which such professional development occurs includes at least four hours of instruction for kindergarten and elementary students and four and one-half hours for high school students;
    - (2) The instructional time for each course normally scheduled on that day is reduced proportionately or the daily schedule is reconfigured to ensure that the same course is not subject to early dismissal more than one time per school calendar, as a result of this subdivision; and
    - (3) All teachers having a class dismissed as a result of this subdivision are required to be in attendance and participate in the professional development.
8.
  - a. If a school's calendar provides for an extension of each schoolday beyond the statutorily required minimum number of hours, and if the extensions when aggregated over an entire school year amount to more than eighty-four hours of additional classroom instruction during the school year, the school is exempt from having to make up six hours of instruction time lost as a result of weather-related closure. In order to make up lost classroom instruction time beyond the six hours, the school must extend its normal school calendar day by at least thirty minutes.
  - b. A school that does not qualify under the provisions of this subsection must extend its normal schoolday by at least thirty minutes to make up classroom instruction time lost as a result of weather-related closure.
  - c. If because of weather a school must dismiss before completing a full day of instruction, the school is responsible for making up only those hours and portions of an hour between the time of early dismissal and the conclusion of a full day of classroom instruction.
9. For purposes of this section, a full day of instruction consists of:
  - a. At least five and one-half hours for kindergarten and elementary students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction; and
  - b. At least six hours for high school students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction.

**SECTION 2. AMENDMENT.** Section 15.1-07-33 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-07-33. Student information system - Statewide coordination - Financial support - Exemption.**

1. Notwithstanding any other technology requirements imposed by the superintendent of public instruction, the information technology department, or the North Dakota educational technology council, each school district shall acquire PowerSchool through the information technology department and use it as its principal student information system.
2. The superintendent of public instruction shall forward that portion of a school district's state aid which is payable by the superintendent under subdivision n of subsection 1 of section 15.1-27-03.1 directly to the information technology department to reimburse the department for the cost of the school district's acquisition, implementation, or utilization of PowerSchool and any related technology support services. The superintendent shall forward the amount payable under this subsection at the same time and in the same manner as provided for other state aid payments under section 15.1-27-01.
3. If the portion of a school district's state aid forwarded to the information technology department under subsection 2 exceeds the cost incurred by the information technology department in providing for the school district's acquisition, implementation, or utilization of PowerSchool and any related technology support services, the information technology department shall return the excess moneys to the superintendent of public instruction for redistribution to the school district as per student payments.
4. The superintendent of public instruction may exempt a school district from having to acquire and utilize PowerSchool if the school district demonstrates that, in accordance with requirements of the bureau of Indian education, the district has acquired and is utilizing a student information system that is determined to be comparable by the superintendent.

**SECTION 3. AMENDMENT.** Section 15.1-09-58 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-09-58. ~~Prekindergarten program~~Early childhood education - Authorization - Support.**

The board of a school district may establish a ~~prekindergarten~~an early childhood program and may ~~receive and expend any state moneys specifically appropriated for the program, any federal funds~~support that program with:

1. Local tax revenues, other than those necessary to support the district's kindergarten program and the district's provision of elementary and high school educational services;
2. Federal moneys specifically appropriated or approved for the program; and any gifts
3. Gifts, grants, and donations specifically given for the program.

**SECTION 4. AMENDMENT.** Section 15.1-09.1-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-09.1-02. Regional education association - Joint powers agreement -  
Review by superintendent of public instruction - Criteria.**

~~Before~~In order for a group of school districts ~~may~~to be designated as a regional education association, the superintendent of public instruction shall review the joint powers agreement that the districts have entered and verify that: the requirements of this section have been met.

1. The school districts must:
  - a. Have a combined total land mass of at least five thousand eight hundred square miles [1502193 hectares];
  - b. (1) Have a combined total land mass of at least four thousand five hundred square miles [1165494 hectares]; and  
(2) Number at least twelve;
  - c. (1) Have a combined total land mass of at least four thousand square miles [1035995 hectares]; and  
(2) Have at least three thousand students in average daily membership; or
  - d. (1) Have a combined total land mass of at least one thousand five hundred square miles [388498 hectares]; and  
(2) Have at least seven thousand five hundred students in average daily membership.
2. The school districts ~~are~~must be contiguous to each other or, if the districts are not contiguous to each other, the superintendent of public instruction shall verify that the participating districts can provide sound educational opportunities to their students in a fiscally responsible manner without injuring other school districts or regional education associations and without negatively impacting the ability of other school districts or regional education associations to provide sound educational opportunities to their students in a fiscally responsible manner. A decision by the superintendent of public instruction under this subsection may be appealed to the state board of public school education. A decision by the state board is final.
3. The joint powers agreement ~~requires~~must require that the participating school districts maintain a joint operating fund ~~and share various administrative functions and student services in accordance with subsection 4.~~
4. ~~a. During the first two school years in which a regional education association is operational, each participating school district shall share in at least two administrative functions and two student services, selected by the district.~~
  - b. ~~During the third and fourth school years in which a regional education association is operational, each participating school district shall share in at least three administrative functions and three student services, selected by the district.~~
  - c. ~~During the fifth school year in which a regional education association is operational, and each year thereafter, each participating school district shall share at least five administrative functions and five student services, selected by the district.~~

d. For purposes of this subsection:

(1) "Administrative functions" means:

- (a) Business management;
- (b) Career and technical education services management;
- (c) Curriculum mapping or development;
- (d) Data analysis;
- (e) Federal program support;
- (f) Federal title program management;
- (g) Grant writing;
- (h) School improvement;
- (i) School safety and environment management;
- (j) Special education services management;
- (k) Staff development;
- (l) Staff retention and recruitment;
- (m) Staff sharing;
- (n) Technology support; and
- (o) Any other functions approved by the superintendent of public instruction.

(2) "Student services" means:

- (a) Advanced placement classes;
- (b) Alternative high schools or alternative high school programs;
- (c) Career and technical education classes;
- (d) Counseling services;
- (e) Common elementary curricula;
- (f) Distance learning classes;
- (g) Dual credit classes;
- (h) Foreign language classes;
- (i) Library and media services;
- (j) Summer programs;
- (k) Supplemental instruction programs; and

- (f) ~~Any other services approved by the superintendent of public instruction.~~
- e. ~~For purposes of this subsection, if a regional education association became operational before July 1, 2005, the 2005-06 school year must be considered the provider's first year of operation.~~
- 6. The joint powers agreement ~~provides~~must provide:
  - a. Criteria for the future participation of school districts that were not parties to the original joint powers agreement;
  - b. An application process by which school districts that were not parties to the original joint powers agreement can become participating districts; and
  - c. A process by which school districts that were not parties to the original joint powers agreement and whose application to participate in the agreement was denied can appeal the decision to the superintendent of public instruction.
- 6.5. The joint powers agreement ~~provides~~must provide for the employment and compensation of staff.
- 7.6. The joint powers agreement must:
  - a. ~~Establishes~~Establish the number of members on the governing board;
  - b. ~~Establishes~~Establish the manner in which members of the governing board are determined;
  - c. ~~Requires all members~~Require that each member of the governing board ~~or their designees to be individuals~~be an individual currently serving on the board of a participating school district ~~or the designee of a participating school district's board~~; and
  - d. ~~Allows~~Allow for the inclusion of ex officio nonvoting members on the governing board.
- 8.7. The joint powers agreement ~~provides~~must provide that the board of the regional education association shall meet at least quarterly.
- 9.8. The joint powers agreement ~~does~~may not permit the regional education association to compensate members of the regional education association board for attending meetings of the board and does not permit the regional education association to reimburse members of the board for any expenses incurred in attending meetings of the board.

**SECTION 5.** A new section to chapter 15.1-09.1 of the North Dakota Century Code is created and enacted as follows:

**Regional education association - Services to be offered.**

- 1. In order to be eligible for state funding, a regional education association must offer the following services to its member districts:
  - a. Coordination and facilitation of professional development activities for teachers and administrators employed by its member districts;
  - b. Supplementation of technology support services;

- c. Assistance with achieving school improvement goals identified by the superintendent of public instruction;
  - d. Assistance with the collection, analysis, and interpretation of student achievement data; and
  - e. Assistance with the expansion and enrichment of curricular offerings.
2. Subsection 1 does not preclude a regional education association from offering additional services to its member districts.

**SECTION 6.** A new section to chapter 15.1-18.2 of the North Dakota Century Code is created and enacted as follows:

**Professional development advisory committee - Reimbursement of members.**

Each member of the professional development advisory committee is entitled to receive reimbursement for expenses as provided by law for state officers if the member is attending committee meetings, except that no member may receive reimbursement under this section for more than three committee meetings during each year of the biennium.

**SECTION 7.** A new section to chapter 15.1-18.2 of the North Dakota Century Code is created and enacted as follows:

**Teacher support program - Establishment.**

The education standards and practices board shall:

1. Establish and administer a teacher support program;
2. Employ an individual to serve as a teacher support program coordinator;
3.
  - a. Select and train experienced teachers who will serve as mentors for first-year teachers and assist the first-year teachers with instructional skills development; or
  - b. If a school district or other employing entity listed in section 9 of this Act is not in need of mentors for its first-year teachers, select and train experienced teachers who will work with school district administrators and administrators from the other employing entities to identify the needs of the non-first-year teachers and help the non-first-year teachers address their particular needs through the use of:
    - (1) Research-validated interventions; and
    - (2) Proven instructional methods.

**SECTION 8.** A new section to chapter 15.1-18.2 of the North Dakota Century Code is created and enacted as follows:

**Teacher support program - Availability of services.**

The education standards and practices board may use any moneys it receives for the teacher support program to provide staff compensation, training, evaluation, and stipends for mentors and experienced teachers who assist first-year and non-first-year teachers participating in the program, and to pay for any other administrative expenses resulting from the program; provided, however, that the



board may not expend more than five percent of the moneys for administrative purposes.

**SECTION 9.** A new section to chapter 15.1-18.2 of the North Dakota Century Code is created and enacted as follows:

**Teacher support program - Authorized service recipients.**

The education standards and practices board may provide support services to teachers employed by:

1. School districts;
2. Special education units;
3. Area career and technology centers;
4. Regional education associations; and
5. Schools funded by the bureau of Indian education.

**SECTION 10. AMENDMENT.** Section 15.1-21-02.1 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.1. High school graduation—Diplomadiploma - Minimum requirements.**

Except as provided in section 15.1-21-02.3, before a school district, a nonpublic high school, or the center for distance education issues a high school diploma to a student, the student must have successfully completed ~~the following twenty-two units of high school coursework:~~

1. ~~Four units of English language arts from a sequence that includes literature, composition, and speech;~~
2. ~~Three units of mathematics;~~
3. ~~Three units of science, including:~~
  - a. ~~One unit of physical science;~~
  - b. ~~One unit of biology; and~~
  - e. ~~(1) One unit of any other science; or~~  
~~(2) Two one-half units of any other science;~~
4. ~~Three units of social studies, including:~~
  - a. ~~One unit of United States history;~~
  - b. ~~(1) One-half unit of United States government and one-half unit of economics; or~~  
~~(2) One unit of problems of democracy; and~~
  - e. ~~One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;~~

- 5. a. ~~One unit of physical education; or~~
- b. ~~One-half unit of physical education and one-half unit of health;~~
- 6. ~~Three units of:~~
  - a. ~~Foreign languages;~~
  - b. ~~Native American languages;~~
  - c. ~~Fine arts; or~~
  - d. ~~Career and technical education courses; and~~
- 7. ~~Any five additional units.~~
- 1. The twenty-two units of high school coursework set forth in section 11 of this Act, and
- 2. Any additional units of high school coursework required by the issuing entity.

**SECTION 11.** A new section to chapter 15.1-21 of the North Dakota Century Code is created and enacted as follows:

**High school graduation - Minimum requirements.**

Except as provided in section 15.1-21-02.3, the following twenty-two units of high school coursework constitute the minimum requirement for high school graduation:

- 1. Four units of English language arts from a sequence that includes literature, composition, and speech;
- 2. Three units of mathematics;
- 3. Three units of science, including:
  - a. One unit of physical science;
  - b. One unit of biology; and
  - c. (1) One unit of any other science; or  
(2) Two one-half units of any other science;
- 4. Three units of social studies, including:
  - a. One unit of United States history;
  - b. (1) One-half unit of United States government and one-half unit of economics; or  
(2) One unit of problems of democracy; and
  - c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;
- 5. a. One unit of physical education; or

- b. One-half unit of physical education and one-half unit of health;
- 6. Three units of:
  - a. Foreign languages;
  - b. Native American languages;
  - c. Fine arts; or
  - d. Career and technical education courses; and
- 7. Any five additional units.

**SECTION 12. AMENDMENT.** Section 15.1-21-02.4 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.4. North Dakota career and technical education scholarship.**

Any resident student who graduates from a high school during or after the 2010-11 school year is eligible to receive a North Dakota career and technical education scholarship provided the student ~~completes all requirements set forth in subsections 1 through 5 and subsection 7 of section 15.1-21-02.1 for a high school diploma and:~~

- 1. Completed four units of English language arts from a sequence that includes literature, composition, and speech;
- 2. Completed three units of mathematics, including:
  - a. ~~Completes one~~One unit of algebra II, as defined by the superintendent of public instruction, ~~in fulfillment of the mathematics requirement set forth in subsection 2 of section 15.1-21-02.1; and~~
  - b. ~~Completes two~~Two units of any other mathematics;
- 3. Completed three units of science, including:
  - a. One unit of physical science;
  - b. One unit of biology; and
  - c. (1) One unit of any other science; or  
(2) Two one-half units of any other science;
- 4. Completed three units of social studies, including:
  - a. One unit of United States history;
  - b. (1) One-half unit of United States government and one-half unit of economics; or  
(2) One unit of problems of democracy; and
  - c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;
- 5. a. Completed one unit of physical education; or

- b. One-half unit of physical education and one-half unit of health;
- 6. Completed:
  - a. One unit selected from:
    - (1) Foreign languages;
    - (2) Native American languages;
    - (3) American sign language;
    - (4) Fine arts; or
    - (5) Career and technical education courses; and
  - b. Two units of a coordinated plan of study recommended by the department of career and technical education and approved by the superintendent of public instruction; and
- e-7. ~~Completes three~~Completed any five additional units, two of which must be in the area of career and technical education;
- 2. ~~Obtains a grade of at least "C" in each unit or one-half unit required for the diploma;~~
- 3-8. a. (1) ~~Obtains~~Obtained a cumulative grade point average of at least "B"3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based on all high school units in which the student was enrolled; and
  - (2) Obtained a grade of at least "C" in each unit or one-half unit; or
- b. (1) Obtained a cumulative grade point average of at least 3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based only on the units required by subsections 1 through 7 of this section; and
  - (2) Obtained a grade of at least "C" in each unit or one-half unit; and
- 4-9. ~~Receives~~Received:
  - a. A composite score of at least twenty-four on an ACT; or
  - b. A score of at least five on each of three WorkKeys assessments recommended by the department of career and technical education and approved by the superintendent of public instruction.

**SECTION 13. AMENDMENT.** Section 15.1-21-02.5 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.5. North Dakota academic scholarship.**

Any resident student who graduates from a high school during or after the 2010-11 school year is eligible to receive a North Dakota academic scholarship provided the student ~~completes all requirements set forth in subsections 4 through 6 and subsection 7 of section 15.1-21-02.1 for a high school diploma and:~~

- 1. Completed four units of English language arts from a sequence that includes literature, composition, and speech;

2. Completed three units of mathematics, including:
  - a. ~~Completes one~~One unit of algebra II, as defined by the superintendent of public instruction, ~~in fulfillment of the mathematics requirement set forth in subsection 2 of section 15.1-21-02-1, and~~
  - b. ~~Completes one additional~~One unit of mathematics for which algebra II, as defined by the superintendent of public instruction, is a prerequisite; ~~and~~
- e-3. Completed three units of science, including:
  - a. One unit of physical science;
  - b. One unit of biology; and
  - c. (1) One unit of any other science; or  
(2) Two one-half units of any other science;
4. Completed three units of social studies, including:
  - a. One unit of United States history;
  - b. (1) One-half unit of United States government and one-half unit of economics; or  
(2) One unit of problems of democracy; and
  - c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;
5. a. Completed one unit of physical education; or  
b. One-half unit of physical education and one-half unit of health;
6. a. Completed:
  - (1) Two units of the same foreign or native American language;
  - (2) ~~One unit of fine arts or career and technical education~~American sign language; and
- (3)b. One unit of a foreign or native selected from:
  - (1) Foreign languages;
  - (2) Native American language, fine languages;
  - (3) American sign language;
  - (4) Fine arts, or career; or
  - (5) Career and technical education;
2. Obtains a grade of at least "C" in each unit or one-half unit required for the diploma;

- ~~3-7.~~ Obtains~~Completed~~ any five additional units, one of which must be in the area of fine arts or career and technical education;
8. a. (1) Obtained a cumulative grade point average of at least "B"~~3.0~~ on a 4.0 grading scale, as determined by the superintendent of public instruction, based on all high school units in which the student was enrolled; and
- (2) Obtained a grade of at least "C" in each unit or one-half unit; or
- b. (1) Obtained a cumulative grade point average of at least 3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based only on the units required by subsections 1 through 7 of this section; and
- (2) Obtained a grade of at least "C" in each unit or one-half unit;
- ~~4-9.~~ Receives~~Received~~ a composite score of at least twenty-four on an ACT; and
- ~~5-10.~~ a. Completes~~Fulfilled~~ any one unit requirement set forth in subsections 1 through 7 of this section by means of an advanced placement course and examination; or
- b. Fullfilled any one-half unit requirement set forth in subsections 1 through 7 of this section by means of a dual-credit course.

**SECTION 14. AMENDMENT.** Section 15.1-21-02.6 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.6. North Dakota scholarship - Amount - Applicability.**

1. a. The state board of higher education shall provide to any student certified as being eligible by the superintendent of public instruction either a North Dakota academic scholarship or a North Dakota career and technical education scholarship in the amount of seven hundred fifty dollars for each semester during which the student is enrolled full time at an accredited institution of higher education in this state and maintains a cumulative grade point average of 2.75.
- b. The state board of higher education shall provide to any student certified as being eligible by the superintendent of public instruction either a North Dakota academic scholarship or a North Dakota career and technical education scholarship in the amount of five hundred dollars for each quarter during which the student is enrolled full time at an accredited institution of higher education in this state and maintains a cumulative grade point average of 2.75.
2. A student is not entitled to receive more than six thousand dollars under this section.
3. The state board of higher education shall forward the scholarship directly to the institution in which the student is enrolled.
4. a. (1) This section does not require a student to be enrolled in consecutive semesters.
- (2) This section does not require a student to be enrolled in consecutive quarters.

- b. However, a scholarship under this section is valid only for six academic years after the student's graduation from high school and may not be applied to graduate programs.
5. A scholarship under this section is available to any eligible student who graduates from a high school in this state or from a high school in a bordering state under chapter 15.1-29.

**SECTION 15.** A new section to chapter 15.1-21 of the North Dakota Century Code is created and enacted as follows:

**North Dakota scholarship - Eligibility - One-time exception.**

1. a. Notwithstanding section 15.1-21-02.6, if a student's cumulative grade point average as determined by the state board of higher education at the conclusion of a semester is below 2.75, the board shall grant an exception and provide the North Dakota scholarship to which the student would otherwise be entitled for the next semester in which the student is enrolled full time. The exception provided by this section is applicable to a student only one time.
- b. If a student's cumulative grade point average as determined by the state board of higher education at the conclusion of a semester is below 2.75 for a second time, the student is no longer eligible to receive any additional North Dakota scholarships.
2. a. Notwithstanding section 15.1-21-02.6, if a student's cumulative grade point average as determined by the state board of higher education at the conclusion of a quarter is below 2.75, the board shall grant an exception and provide the North Dakota scholarship to which the student would otherwise be entitled for the next quarter in which the student is enrolled full time. The exception provided by this section is applicable to a student only one time.
- b. If a student's cumulative grade point average as determined by the state board of higher education at the conclusion of a quarter is below 2.75 for a second time, the student is no longer eligible to receive any additional North Dakota scholarships.

**SECTION 16.** A new section to chapter 15.1-21 of the North Dakota Century Code is created and enacted as follows:

**North Dakota scholarship fund - Biannual transfer - Continuing appropriation.**

1. Once each semester, the state board of higher education shall certify to the state treasurer the amount necessary to provide the North Dakota academic scholarships and the North Dakota career and technical education scholarships, as set forth in sections 15.1-21-02.4 and 15.1-21-02.5.
2. Upon receiving the certification, the state treasurer shall transfer the certified amount from the interest and other income of the lands and minerals trust fund to the North Dakota scholarship fund.
3. All moneys in the North Dakota scholarship fund are appropriated on a continuing basis to the state board of higher education for the exclusive purpose of providing North Dakota academic scholarships and North Dakota career and technical education scholarships.

**SECTION 17. AMENDMENT.** Section 15.1-21-08 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-08. Reading, mathematics, and science - Administration of test.**

1. The superintendent of public instruction shall administer to public school students a test that is aligned to the state content and achievement standards in reading and mathematics. This test must be administered to ~~all public school students in at least one grade level selected within each of the following grade spans: grades three through five; grades six through nine; and grades ten through twelve. Beginning no later than the 2005-06 school year and annually thereafter, the superintendent of public instruction shall administer the reading and mathematics test annually~~ to all public school students in grades three, four, five, six, seven, eight, and eleven.
2. ~~Beginning no later than the 2007-08 school year and annually thereafter, the~~The superintendent of public instruction shall administer a test that is aligned to the state content and achievement standards in science. This test must be administered to all public school students in at least one grade level selected from three through five; in at least one grade level selected from six through nine; and in grade eleven. The superintendent of public instruction may not administer the grade eleven test after December first of each school year.

**SECTION 18. AMENDMENT.** Section 15.1-21-18 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-18. Career interest inventory - Educational and career planning - Consultation.**

1. A school district shall administer to students, once during their enrollment in grade seven or eight and once during their enrollment in grade nine or ten, a career interest inventory recommended by the department of career and technical education and approved by the superintendent of public instruction.
2. At least once during the seventh or eighth grade, each school district shall arrange for students to participate in either an individual consultative process or a nine-week course, for the purpose of discussing the results of their career interest inventory, selecting high school courses appropriate to their educational pursuits and career interests, and developing individual high school education plans.
3. Each school district shall notify its high school students that, upon request, a student is entitled to receive a consultative review of the student's individual high school education plan at least once during each high school grade. Upon the request of a student, the school district shall provide the consultative review.
4. Each school district shall verify compliance with the requirements of this section at the time and in the manner required by the superintendent of public instruction.

**SECTION 19. AMENDMENT.** Section 15.1-21-19 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-19. Summative assessment - Selection - Cost - Exemptions.**

1. Except as otherwise provided, each public and nonpublic school student in grade eleven shall take the ACT, including the writing test, or three



WorkKeys assessments recommended by the department of career and technical education and approved by the superintendent of public instruction. The student shall determine which summative assessment to take. ~~The student's school district of residence~~superintendent of public instruction is responsible for the cost of procuring and administering one summative assessment and its administration per student.

2. The student's career advisor or guidance counselor shall meet with the student to review the student's assessment results.
3. A school district superintendent or a school administrator in the case of a nonpublic school student may exempt a student from the requirements of this section if taking the test is not required by the student's individualized education program plan or if other special circumstances exist.
4. ~~If the superintendent of public instruction determines that the cost of the summative assessment and its administration can be reduced through use of a state procurement process, the superintendent shall work with the school districts to procure and arrange for the administration of the assessment and shall withhold each district's share of the total cost from any state aid otherwise payable to the district.~~At the time and in the manner determined by the superintendent of public instruction, each school district superintendent and each school administrator in the case of a nonpublic school shall report the number of eleventh grade students who:
  - a. Took the ACT, including the writing test;
  - b. Took the three WorkKeys assessments; and
  - c. Were exempted from the requirements of this section, together with the reason for each exemption.

**SECTION 20. AMENDMENT.** Section 15.1-22-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-22-01. Kindergarten - Establishment by board - Request by parent - Levy.**

1. ~~Upon its own motion, the~~The board of a school district ~~may establish a free public kindergarten.~~
2. ~~If the board receives a written request to provide kindergarten from the parent of a student who will be enrolled in the kindergarten, the board shall either provide at least a half-day kindergarten program for the student~~any student enrolled in the district or pay the tuition required for the student to attend at least a half-day kindergarten program in another school district.
- 3.2. The board of a school district that establishes a kindergarten under this section may levy a tax pursuant to subdivision p of subsection 1 of section 57-15-14.2.

**SECTION 21. AMENDMENT.** Section 15.1-27-03.1 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-03.1. ~~(Effective through June 30, 2011) Weighted average daily membership - Determination.~~**

1. ~~For each school district, the superintendent of public instruction shall multiply by:~~

- a. ~~1.00 the number of full-time equivalent students enrolled in a migrant summer program;~~
  - b. ~~1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;~~
  - c. ~~0.60 the number of full-time equivalent students enrolled in a summer education program;~~
  - d. ~~0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;~~
  - e. ~~0.30 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and are enrolled in a program of instruction for English language learners;~~
  - f. ~~0.25 the number of full-time equivalent students enrolled in an alternative high school;~~
  - g. ~~0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
  - h. ~~0.25 the number of full-time equivalent students enrolled in an isolated high school;~~
  - i. ~~0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-04;~~
  - j. ~~0.20 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be not proficient and are enrolled in a program of instruction for English language learners;~~
  - k. ~~0.17 the number of full-time equivalent students enrolled in an early childhood special education program;~~
  - l. ~~0.07 the number of students enrolled in average daily membership, in order to support the provision of special education services;~~
  - m. ~~0.07 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be somewhat proficient and are enrolled in a program of instruction for English language learners;~~
  - n. ~~0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; and~~
  - o. ~~0.002 the number of students enrolled in average daily membership, in order to support technology.~~
2. ~~The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.~~

~~(Effective after June 30, 2011) Weighted average daily membership - Determination.~~

1. For each school district, the superintendent of public instruction shall multiply by:
  - a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;
  - b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;
  - c. 0.60 the number of full-time equivalent students enrolled in a summer education program;
  - d. 0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;
  - e. 0.30 the number of full-time equivalent students who-~~en~~
    - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and placed in the first of six categories of proficiency; and-are
    - (2) Are enrolled in a program of instruction for English language learners;
  - f. 0.25 the number of full-time equivalent students enrolled in an alternative high school;
  - g. ~~0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
  - h. ~~0.25 the number of full-time equivalent students enrolled in an isolated high school;~~
  - i. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;
  - ~~j-h.~~ 0.20 the number of full-time equivalent students who-~~en~~
    - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be not more proficient than students placed in the first of six categories of proficiency and therefore placed in the second of six categories of proficiency; and-are
    - (2) Are enrolled in a program of instruction for English language learners;
  - k-i. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;
  - ~~l-j.~~ 0.070.10 the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average daily membership and the district consists of an area greater than two hundred seventy-five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students in average daily membership must

be deemed to have an enrollment equal to fifty students in average daily membership;

- k. 0.073 the number of students enrolled in average daily membership, in order to support the provision of special education services;
  - m. 0.07 the number of full-time equivalent students who-
    - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be somewhat more proficient and are than students placed in the second of six categories of proficiency and therefore placed in the third of six categories of proficiency;
    - (2) Are enrolled in a program of instruction for English language learners; and
    - (3) Have not been in the third of six categories of proficiency for more than three years;
  - n. 0.025 the number of students representing that percentage of the total number of students in average daily membership which is equivalent to the three-year average percentage of students in grades three through eight who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.];
  - n. 0.006 the number of students enrolled in average daily membership in each public school in the district that:
    - (1) Has acquired and is utilizing the PowerSchool student information system;
    - (2) Has acquired and is in the process of implementing the PowerSchool student information system; or
    - (3) Will acquire the PowerSchool student information system during the current school year, provided the acquisition is contractually demonstrated; and
  - o. 0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; and
  - p. 0.002 the number of students enrolled in average daily membership, in order to support technology.
2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.

**SECTION 22. AMENDMENT.** Section 15.1-27-03.1 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-03.1. (Effective through June 30, 2011) Weighted average daily membership—Determination.**

- 1. ~~For each school district, the superintendent of public instruction shall multiply by:~~

- a. ~~1.00 the number of full-time equivalent students enrolled in a migrant summer program;~~
  - b. ~~1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 16.1-32-17;~~
  - c. ~~0.60 the number of full-time equivalent students enrolled in a summer education program;~~
  - d. ~~0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 16.1-23;~~
  - e. ~~0.30 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and are enrolled in a program of instruction for English language learners;~~
  - f. ~~0.25 the number of full-time equivalent students enrolled in an alternative high school;~~
  - g. ~~0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
  - h. ~~0.25 the number of full-time equivalent students enrolled in an isolated high school;~~
  - i. ~~0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 16.1-29-01;~~
  - j. ~~0.20 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be not proficient and are enrolled in a program of instruction for English language learners;~~
  - k. ~~0.17 the number of full-time equivalent students enrolled in an early childhood special education program;~~
  - l. ~~0.07 the number of students enrolled in average daily membership, in order to support the provision of special education services;~~
  - m. ~~0.07 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be somewhat proficient and are enrolled in a program of instruction for English language learners;~~
  - n. ~~0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 16.1-09-1; and~~
  - o. ~~0.002 the number of students enrolled in average daily membership, in order to support technology.~~
- 2- The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.

**(Effective after June 30, 2011) Weighted average daily membership - Determination.**

1. For each school district, the superintendent of public instruction shall multiply by:
  - a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;
  - b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;
  - c. 0.60 the number of full-time equivalent students enrolled in a summer education program;
  - d. 0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;
  - e. 0.30 the number of full-time equivalent students who ~~are~~
    - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and placed in the first of six categories of proficiency; and are
    - (2) Are enrolled in a program of instruction for English language learners;
  - f. 0.25 the number of full-time equivalent students enrolled in an alternative high school;
  - g. ~~0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
  - h. ~~0.25 the number of full-time equivalent students enrolled in an isolated high school;~~
  - i. 0.20 the number of full-time equivalent students in grades six through eight enrolled in an alternative education program for at least an average of fifteen hours per week;
  - h. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;
  - j.i. 0.20 the number of full-time equivalent students who ~~are~~
    - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be not more proficient than students placed in the first of six categories of proficiency and therefore placed in the second of six categories of proficiency; and are
    - (2) Are enrolled in a program of instruction for English language learners;
  - k.j. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;
  - l.k. ~~0.070.10~~ the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average daily membership and the district consists of an area greater than two hundred seventy-five square miles [19424.9



**15.1-27-04. Per student payment rate.**

1. a. The per student payment rate to which each school district is entitled for the first year of the biennium is three thousand ~~two~~nine hundred ~~thirty~~ dollars.
- b. The per student payment rate to which each school district is entitled for the second year of the biennium is three thousand ~~seven~~nine hundred ~~seventy-nine~~seventy dollars.
2. In order to determine the state aid payment to which each district is entitled, the superintendent of public instruction shall multiply each district's weighted student units by the per student payment rate set forth in subsection 1.

**SECTION 24. AMENDMENT.** Section 15.1-27-07.2 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-07.2. Baseline funding - Determination - Minimum and maximum allowable increases.**

1. The superintendent of public instruction shall determine each school district's baseline funding per weighted student unit by:
  - a. Adding together all state aid received by the district during the 2006-07 school year;
  - b. Subtracting the amount received by the district during the 2006-07 school year for transportation aid, special education excess cost reimbursements, special education contracts, prior year funding adjustments, and per student payments for participation in educational associations governed by joint powers agreements; and
  - c. Dividing the amount determined under subdivision b by the district's 2007-08 weighted student units.
2. a. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, for the 2009-10 school year, is at least equal to one hundred eight percent of the baseline funding per weighted student unit, as established in subsection 1.
- b. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, for each school year after the 2009-10 school year, is at least equal to one hundred twelve and one-half percent of the baseline funding per weighted student unit, as established in subsection 1.
3. a. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, less any amount received as equity payments under section 15.1-27-11 per weighted student unit, does not exceed, for the ~~2009-10~~2011-12 school year, one hundred ~~twenty~~forty-two percent of the baseline funding per weighted student unit, as established in subsection 1.
- b. ~~The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, less any amount received as equity payments under section 15.1-27-11 per weighted student unit, does not exceed, for each school year after the 2009-10 school year, one hundred thirty-four~~



~~percent of the baseline funding per weighted student unit, as established in subsection 4.~~

**SECTION 25. AMENDMENT.** Section 15.1-27-11 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-11. Equity payments.**

1. The superintendent of public instruction shall:
  - a. Divide the imputed taxable valuation of the state by the total average daily membership of all school districts in the state in order to determine the state average imputed taxable valuation per student.
  - b. Divide the imputed taxable valuation of each school district by the district's total average daily membership in order to determine each district's average imputed taxable valuation per student.
2. If a school district's imputed taxable valuation per student is less than ninety percent of the statewide imputed taxable valuation per student, the superintendent of public instruction shall calculate the valuation deficiency by:
  - a. Determining the difference between ninety percent of the state average imputed taxable valuation per student and the district's average imputed taxable valuation per student; and
  - b. Multiplying that difference by the district's total average daily membership.
3. Except as provided in subsection 4, the equity payment to which a district is entitled under this section equals the district's valuation deficiency multiplied by the lesser of:
  - a. The district's general fund levy for the taxable year 2008; or
  - b. One hundred eighty-five mills.
4.
  - a. The equity payment to which a district is entitled may not exceed the district's taxable valuation multiplied by its general fund levy for the taxable year 2008.
  - b. If a district's general fund levy for the taxable year 2008 is less than one hundred eighty-five mills, the superintendent of public instruction shall subtract the district's general fund levy for the taxable year 2008 from one hundred eighty-five mills, multiply the result by the district's taxable valuation, and subtract that result from the equity payment to which the district is otherwise entitled.
  - c. If a district's imputed taxable valuation per student is less than fifty percent of the statewide imputed taxable valuation per student, the payment to which the district is entitled under this section may not be less than twenty percent of the statewide imputed taxable valuation per student times the school district's average daily membership, multiplied by one hundred eighty-five mills.
5. In determining the amount to which a school district is entitled under this section, the superintendent of public instruction may not include any payments received by the district as a result of Public Law No. 81-874 [64 Stat. 1100; 20 U.S.C. 236 et seq.] and may not include in the district's average daily membership students who are dependents of members of

the armed forces and students who are dependents of civilian employees of the department of defense.

6. In determining the statewide average imputed taxable valuation per student for purposes of this section, the superintendent of public instruction may not include:
  - a. Any school district, which if included in the calculation would have an imputed taxable valuation per student that is three times greater than the statewide average imputed taxable valuation per student; and
  - b. Any school district, which if included in the calculation would have an imputed taxable valuation per student that is less than one-fifth of the statewide average imputed taxable valuation per student.
7. For purposes of this section:
  - a. "General fund levy" includes a district's high school transportation levy and its high school tuition levy.
  - b. "Imputed taxable valuation" means the valuation of all taxable real property in the district plus:
    - (1) An amount determined by dividing seventy percent of the district's mineral and tuition revenue, revenue from payments in lieu of property taxes on distribution and transmission of electric power, revenue from payments in lieu of taxes from electricity generated from sources other than coal, and revenue received on account of the leasing of lands acquired by the United States for flood control, navigation, and allied purposes in accordance with 33 U.S.C. 701c-3 by the district's general fund mill levy for the taxable year 2008; and
    - (2) An amount determined by dividing the district's revenue from mobile home taxes and telecommunications taxes by the district's general fund mill levy for the taxable year 2008.
  - c. "Mineral revenue" includes all revenue from county sources reported under code 2000 of the North Dakota school district financial accounting and reporting manual as developed by the superintendent of public instruction in accordance with section 15.1-02-08.
  - d. "Tuition revenue" includes all revenue reported under code 1300 of the North Dakota school district financial accounting and reporting manual as developed by the superintendent of public instruction in accordance with section 15.1-02-08. "Tuition revenue" does not include tuition income received specifically for the operation of an educational program provided at a residential treatment facility.

**SECTION 26. AMENDMENT.** Section 15.1-27-35.3 of the North Dakota Century Code is amended and reenacted as follows:

**~~15.1-27-35.3. (Effective through June 30, 2011) Payments to school districts—Unobligated general fund balance—Report to legislative council.~~**

- ~~1. The superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of fifty percent of its actual expenditures, plus twenty thousand dollars. Beginning July 1, 2008, the~~

~~superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty five percent of its actual expenditures, plus twenty thousand dollars.~~

2. ~~In making the determination required by subsection 1, the superintendent of public instruction may not include in a district's unobligated general fund balance any moneys that:~~
  - a. ~~(1) Were received by the district during the school year ending June 30, 2009, on account of the leasing of lands acquired by the United States for flood control, navigation, and allied purposes in accordance with 33 U.S.C. 701c-3; and~~
    - (2) ~~Exceeded the amount received by the district during the school year ending June 30, 2008, for the purpose stated in paragraph 1;~~
  - b. ~~Were received directly by the district from the United States government in accordance with the American Recovery and Reinvestment Act of 2009; or~~
  - e. ~~Were received by the district as supplemental one time grants under section 52 of S.L. 2009, ch. 175.~~
3. ~~Any district having more than fifty thousand dollars excluded in the determination of its ending fund balance, as required by subsection 2, shall provide a report to the legislative council. The report, which must be presented at the time and in the manner directed by the legislative council, must address how the money was expended, including the number of mills by which the district was able to decrease its property taxes, if such was a permitted use.~~

**(Effective after June 30, 2011) Payments to school districts - Unobligated general fund balance.**

1. ~~The superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of fifty percent of its actual expenditures, plus twenty thousand dollars. Beginning July 1, 2008, the superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty-five percent of its actual expenditures, plus twenty thousand dollars.~~
2. In making the determination required by subsection 1, the superintendent of public instruction may not include in a district's unobligated general fund balance any moneys that were received by the district from the federal education jobs fund program.

**SECTION 27.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Supplemental teacher-effectiveness compensation plan.**

1. A representative organization authorized by a negotiating unit, as defined in subdivision b of subsection 2 of section 15.1-16-01, and the board of a

school district may agree to pursue a supplemental teacher-effectiveness compensation plan for teachers in the negotiating unit.

2. The negotiating unit may include:
  - a. All teachers employed by the board to teach in the school district; or
  - b. All teachers employed by the board to teach at a particular school in the district.
3. For purposes of this section and the implementation of the supplemental teacher-effectiveness compensation plan, "teacher" means an individual defined in subdivision b of subsection 6 of section 15.1-02-13.

**SECTION 28.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Supplemental teacher-effectiveness compensation plan - Development committee - Membership.**

1. Upon agreeing to pursue a supplemental teacher-effectiveness compensation plan, the board of the school district and the representative organization shall form a committee to develop the plan. The membership of the committee must be agreed upon by the board of the school district and the representative organization.
2. At the initial meeting of the committee, the members shall establish rules of operation and procedure.
3. The committee formed under this section is a public entity for purposes of chapter 44-04.

**SECTION 29.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Supplemental teacher-effectiveness compensation plan - Required content.**

1. A supplemental teacher-effectiveness compensation plan developed under this section must:
  - a. Include only matters of compensation and may not include other terms or conditions of employment normally negotiated under chapter 15.1-16;
  - b. Provide for a determination of compensation that takes into account:
    - (1) Whether the school district has had difficulty filling a particular position with a suitable and highly qualified teacher;
    - (2) Whether a teacher has advanced academic degrees or special skills and knowledge beyond those minimally required for a position;
    - (3) Whether a teacher has pursued certified professional development activities beyond those minimally required for a position;
    - (4) Whether a teacher has assumed responsibilities that are beyond those minimally required for a position; and

- (5) Various measures of student growth, including academic growth;
    - c. Include a rigorous and objective system of teacher evaluation that equitably links an individual's performance to the opportunity for additional compensation; and
    - d. Ensure that no teacher subject to the plan will receive less total compensation than that teacher was eligible to receive under the last contract negotiated under chapter 15.1-16.
2. A supplemental teacher-effectiveness compensation plan is not subject to a declaration of impasse under chapter 15.1-16.

**SECTION 30.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Supplemental teacher-effectiveness compensation plan - Review panel - Duties.**

1. Upon agreeing to a supplemental teacher-effectiveness compensation plan, the plan development committee shall forward the plan to a panel consisting of:
  - a. Two employees of the department of public instruction, selected by the superintendent of public instruction;
  - b. Two individuals appointed by the North Dakota council of educational leaders;
  - c. Two individuals appointed by the North Dakota education association; and
  - d. Two individuals appointed by the North Dakota school boards association.
2. Beginning April 1, 2012, the panel shall review each plan that is submitted to ensure that it meets the requirements of section 29 of this Act and then, comparing all eligible plans, recommend for funding those that have the greatest potential to increase teacher effectiveness through supplemental compensation.
3. If the cost of funding all of the plans recommended by the panel exceeds the resources made available, the superintendent of public instruction, with the advice of the review panel, shall select for funding plans that were developed in districts of varying size. For purposes of this section, the superintendent of public instruction shall consider a district to be:
  - a. Small, if it has fewer than one thousand weighted student units;
  - b. Medium, if it has at least one thousand but fewer than five thousand weighted student units; and
  - c. Large, if it has at least five thousand weighted student units.

**SECTION 31.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Supplemental teacher-effectiveness compensation plan - Determination of funding - Minimum amount.**

1. If a plan is selected for funding, the superintendent of public instruction shall determine the amount to which the submitting district is entitled for use as supplemental teacher-effectiveness compensation. The superintendent shall:
  - a. Multiply the number of students in average daily membership instructed by the number of full-time equivalent teachers participating in the district's supplemental teacher-effectiveness compensation plan during the 2012-13 school year;
  - b. Multiply the result determined under subdivision a by a factor of 0.04; and
  - c. Apply the school district size weighting factor as set forth in section 15.1-27-03.2 to the result determined under subdivision b.
2. Notwithstanding subsection 1, if a plan is selected for funding, the minimum amount to which a submitting district is entitled for use as supplemental teacher-effectiveness compensation is two thousand dollars multiplied by the number of full-time equivalent teachers participating in the district's plan.

**SECTION 32.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Administrative costs.**

A school district may use up to five percent of the moneys it receives for its supplemental teacher-effectiveness compensation plan to pay for any additional expenses it has incurred in administering the supplemental teacher-effectiveness compensation plan.

**SECTION 33.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Supplemental teacher-effectiveness compensation plan - Review panel - Additional duties.**

In addition to the duties set forth in section 30 of this Act, the review panel shall:

1. Develop and distribute guidelines pertaining to the creation of supplemental teacher-effectiveness compensation plans;
2. Upon request meet with and advise plan development committees pursuing the creation of supplemental teacher-effectiveness compensation plans; and
3. Provide advice to the superintendent of public instruction regarding the hiring of any employees or the selection of any contractors whose duties will be related to supplemental teacher-effectiveness compensation.

**SECTION 34.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Annual report - Required content.**

1. Any school district that receives state moneys to implement a supplemental teacher-effectiveness compensation plan shall file an annual report with the superintendent of public instruction, at the time and in the manner directed by the superintendent. The report must address whether the plan has:
  - a. Alleviated difficulty filling particular positions with suitable and highly qualified teachers;
  - b. Encouraged teachers to pursue advanced academic degrees or acquire special skills and knowledge beyond those minimally required for a position;
  - c. Encouraged teachers to pursue certified professional development activities beyond those minimally required for a position;
  - d. Encouraged teachers to assume additional responsibilities that are beyond those minimally required for a position; and
  - e. Resulted in measurable student growth, including academic growth.
2. The report also must include suggestions for modifications to the plan, if appropriate.
3. The representative organization shall indicate in writing its agreement with the report and the suggestions for modifications, as submitted by the school district in accordance with this section, or provide to the superintendent of public instruction a separate report together with any suggestions for modifications.
4. If the school district and the representative organization agree to recommend continuation of the plan, with or without modification, the report must contain a request for continued funding.
5. The superintendent of public instruction shall provide copies of the report to the plan review panel established by section 30 of this Act.

**SECTION 35.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Existing contracts - Terms - Effect.**

1. The terms of any contract entered before July 1, 2011, between the board of a school district and a representative organization in accordance with chapter 15.1-16, remain in force and effect for the duration of the contract.
2. A supplemental teacher-effectiveness compensation plan authorized by this Act may take effect on July 1, 2012.

**SECTION 36.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Plan review panel - Reimbursement for expenses.**

Each member of the supplemental teacher-effectiveness compensation plan review panel is entitled to receive reimbursement for expenses as provided by law for state officials if the member is attending meetings or performing duties directed by the panel.

**SECTION 37. AMENDMENT.** Section 15.1-36-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-36-02. School construction projects - Loans.**

1. The board of university and school lands may authorize the use of moneys in the coal development trust fund established pursuant to section 21 of article X of the Constitution of North Dakota and subsection 1 of section 57-62-02 to provide school construction loans, as described in this chapter. The outstanding principal balance of loans under this chapter may not exceed fifty million dollars. The board may adopt policies and rules governing school construction loans.
2. In order to be eligible for a loan under this section, the board of a school district shall:
  - a. Propose a construction project with a cost of at least one million dollars and an expected utilization of at least thirty years;
  - b. Obtain the approval of the superintendent of public instruction for the construction project under section 15.1-36-01; and
  - c. Submit to the superintendent of public instruction an application containing all information deemed necessary by the superintendent, including potential alternative sources or methods of financing the construction project.
3. The superintendent of public instruction shall give priority to any district that meets the requirements for receipt of an equity payment under section 15.1-27-11.
- 4: If an eligible school district's imputed taxable valuation per student is less than eighty percent of the state average imputed valuation per student, the district is entitled to receive:
  - a. A school construction loan equal to the lesser of ~~eight~~twelve million dollars or eighty percent of the actual project cost;
  - b. An interest rate discount equal to at least ~~forty~~one hundred but not more than two hundred ~~forty~~fifty basis points below the prevailing tax-free bond rates; and
  - c. A term of repayment that may extend up to twenty years.
5. If an eligible school district's imputed taxable valuation per student is equal to at least eighty percent but less than ninety percent of the state average imputed taxable valuation per student, the district is entitled to receive:
  - a. A school construction loan equal to the lesser of ~~seventen~~ten million dollars or seventy percent of the actual project cost;
  - b. An interest rate buydown equal to at least ~~forty~~one hundred but not more than two hundred ~~forty~~fifty basis points below the prevailing tax-free bond rates; and
  - c. A term of repayment that may extend up to twenty years.
6. If an eligible school district's imputed taxable valuation per student is equal to at least ninety percent of the state average imputed taxable valuation per student, the district is entitled to receive:



- a. A school construction loan equal to the lesser of ~~two~~four million-five hundred thousand dollars or thirty percent of the actual project cost;
  - b. An interest rate discount equal to at least ~~forty~~one hundred but not more than two hundred fifty basis points below the prevailing tax-free bond rates; and
  - c. A term of repayment that may extend up to twenty years.
7. The board of a school district may submit its loan application to the superintendent of public instruction before or after receiving authorization of a bond issue in accordance with chapter 21-03. If the vote to authorize a bond issue precedes the application for a loan, the application must be acted upon by the superintendent expeditiously but no later than one hundred eighty days from the date it is received by the superintendent.
  8. The superintendent of public instruction shall consider each loan application in the order it received approval under section 15.1-36-01.
  9. If the superintendent of public instruction approves the loan, the superintendent may determine the loan amount, the term of the loan, and the interest rate, in accordance with the requirements of this section.
  10. The superintendent of public instruction may adopt rules governing school construction loans.
  11. For purposes of this section, a construction project means the purchase, lease, erection, or improvement of any structure or facility by a school board, provided the acquisition or activity is within a school board's authority.

**SECTION 38. AMENDMENT.** Section 15.1-37-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-37-01. Early childhood education program - Approval.**

1. Any person or school district operating an early childhood education program may request approval of the program from the superintendent of public instruction. The superintendent shall approve an early childhood education program if the program:
  - ~~1-a.~~ Is taught by individuals who are licensed to teach in early childhood education by the education standards and practices board;
  - ~~2-b.~~ Follows a developmentally appropriate curriculum; ~~and~~
  - ~~3-c.~~ Is in compliance with all municipal and state health, fire, and safety requirements; ~~and~~
  - d. Limits its enrollment to children who have reached the age of four before August first in the year of enrollment.
2. ~~Per student funding will not be provided to individuals or school districts offering a prekindergarten.~~ In determining the state aid payments to which a school district is entitled, the superintendent of public instruction may not count any student enrolled in a regular early childhood education program.

**SECTION 39. AMENDMENT.** Subsection 1 of section 15.1-37-02 of the North Dakota Century Code is amended and reenacted as follows:

1. The North Dakota early childhood education council consists of:
  - a. A chairman appointed by the governor;
  - b. The superintendent of public instruction, or the superintendent's designee;
  - c. The state health officer, or the officer's designee;
  - d. The director of the department of human services, or the director's designee;
  - e. The North Dakota head start - state collaboration administrator, or the administrator's designee;
  - f. The commissioner of higher education, or the commissioner's designee;
  - g. The commissioner of commerce, or the commissioner's designee;
  - h. The chairman of the senate education committee, or the chairman's designee;
  - ~~h.i.~~ The chairman of the house of representatives education committee, or the chairman's designee; and
  - ~~h.j.~~ The following gubernatorial appointees:
    - (1) The superintendent of a school district having at least one thousand students in average daily membership;
    - (2) The superintendent of a school district having fewer than one thousand students in average daily membership;
    - (3) The superintendent of a school district headquartered on a reservation or including reservation land within its boundaries;
    - (4) ~~The principal of a school district;~~
    - (5) ~~An individual employed as an elementary school teacher;~~
    - (6) An individual representing a non-religious-based provider of ~~preschool~~early childhood education;
    - ~~(7)~~(5) An individual representing a religious-based provider of ~~preschool~~early childhood education;
    - ~~(8)~~(6) An individual representing a center-based licensed child care provider;
    - ~~(9)~~(7) An individual representing a home-based licensed child care provider;
    - ~~(10)~~(8) An individual representing a reservation-based head start program;
    - ~~(11)~~(9) An elected member of a school board;
    - ~~(12)~~(10) The parent of a child not yet enrolled in elementary school; ~~and~~

~~(13)~~(11) The parent of a child with special-needs/disabilities not yet enrolled in elementary school; and

(12) An individual representing children with disabilities.

**SECTION 40. AMENDMENT.** Section 15.1-37-03 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-37-03. Council - Duties.**

The council shall:

1. Review the delivery/availability and provision of early childhood education, care, and services in this state;
2. ~~Conduct a needs assessment;~~
3. ~~Review early childhood education standards and propose revisions to the standards as needed;~~
4. ~~Review~~Identify opportunities for public and private sector collaboration in the delivery/provision of early childhood education, care, and services in this state;
5. ~~Develop a comprehensive plan governing the delivery of early childhood education in this state; and~~
- 6-3. Identify ways to assist with the recruitment and retention of individuals interested in working as providers of early childhood education, care, and services, including training and continuing education or professional development opportunities;
4. Seek the advice and guidance of individuals who are uniquely familiar with the nature, scope, and associated challenges of providing early childhood education, care, and services in geographically and socioeconomically diverse settings, and develop recommendations pertaining to the short-term and longer-term improvement and expansion of early childhood education, care, and services in this state; and
5. Provide a biennial report regarding its activities/findings and recommendations to the governor and the legislative ~~council~~assembly.

**SECTION 41. AMENDMENT.** Section 57-15-14 of the North Dakota Century Code is amended and reenacted as follows:

**57-15-14. General fund levy limitations in school districts.**

The aggregate amount levied each year for the purposes listed in section 57-15-14.2 by any school district, except the Fargo school district, may not exceed the amount in dollars which the school district levied for the prior school year plus twelve percent up to a general fund levy of one hundred eighty-five mills on the dollar of the taxable valuation of the district, except that:

1. In any school district having a total population in excess of four thousand according to the last federal decennial census there may be levied any specific number of mills that upon resolution of the school board has been submitted to and approved by a majority of the qualified electors voting upon the question at any regular or special school district election.
2. In any school district having a total population of fewer than four thousand, there may be levied any specific number of mills that upon

resolution of the school board has been approved by fifty-five percent of the qualified electors voting upon the question at any regular or special school election.

3. After June 30, 2009, in any school district election for approval by electors of increased levy authority under subsection 1 or 2, the ballot must specify the number of mills proposed for approval, and the number of taxable years for which that approval is to apply. After June 30, 2009, approval by electors of increased levy authority under subsection 1 or 2 may not be effective for more than ten taxable years.
4. The authority for a levy of up to a specific number of mills under this section approved by electors of a school district before July 1, 2009, is terminated effective for taxable years after 2015. If the electors of a school district subject to this subsection have not approved a levy for taxable years after 2015 of up to a specific number of mills under this section by December 31, 2015, the school district levy limitation for subsequent years is subject to the limitations under section 57-15-01.1 or this section.
5. The authority for an unlimited levy approved by electors of a school district before July 1, 2009, is terminated effective for taxable years after 2015. If the electors of a school district subject to this subsection have not approved a levy of up to a specific number of mills under this section by December 31, 2015, the school district levy limitation for subsequent years is subject to the limitations under section 57-15-01.1 or this section.
6. A school district that experiences a rapidly increasing taxable valuation may levy, for the taxable year of the rapidly increasing taxable valuation and the next taxable year, the amount in dollars which the school district levied for the prior school year plus eighteen percent, up to a general fund levy of one hundred eighty-five mills on the dollar of the taxable valuation of the district. For purposes of this subsection, "rapidly increasing taxable valuation" means an increase of twenty percent or more in taxable valuation from the immediately preceding taxable year.

The question of authorizing or discontinuing such specific number of mills authority in any school district must be submitted to the qualified electors at the next regular election upon resolution of the school board or upon the filing with the school board of a petition containing the signatures of qualified electors of the district equal in number to ten percent of the number of electors who cast votes in the most recent election in the school district. However, not fewer than twenty-five signatures are required. However, the approval of discontinuing such authority does not affect the tax levy in the calendar year in which the election is held. The election must be held in the same manner and subject to the same conditions as provided in this section for the first election upon the question of authorizing the mill levy.

#### SECTION 42. ISOLATED SCHOOLS - TRANSITION PAYMENTS.

1. If during the 2010-11 school year a school district received payments as a result of section 15.1-27-15, as the section existed on June 30, 2011, and if that district is not eligible for the factor established under subdivision j of subsection 1 of section 15.1-27-03.1, the district is entitled to the following transition payments:
  - a. For the 2011-12 school year, an amount equal to that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011;

- b. For the 2012-13 school year, an amount equal to seventy-five percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011;
  - c. For the 2013-14 school year, an amount equal to fifty percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011; and
  - d. For the 2014-15 school year, an amount equal to twenty-five percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011.
2. Upon the closure of a school that met the definition of isolated under section 15.1-27-15, as it existed on June 30, 2011, the superintendent of public instruction shall cease to provide to the district the transition payments established under subsection 1.

#### **SECTION 43. TRANSPORTATION GRANTS - DISTRIBUTION.**

1. During each year of the 2011-13 biennium, the superintendent of public instruction shall calculate the payment to which each school district is entitled based on the state transportation formula as it existed on June 30, 2001, except that the superintendent shall provide reimbursement at the rate of:
  - a. One dollar and three cents per mile for schoolbuses having a capacity of ten or more passengers;
  - b. Forty-six cents per mile for vehicles having a capacity of nine or fewer passengers;
  - c. Forty-six cents per mile, provided:
    - (1) The student being transported is a student with a disability, as defined in chapter 15.1-32;
    - (2) The student's individualized education program plan requires that the student attend a public or a nonpublic school located outside the student's school district of residence;
    - (3) The student is transported by an adult member of the student's family;
    - (4) The student is transported in a vehicle furnished by the student's parents;
    - (5) The student's transportation is paid for by the student's parents; and
    - (6) The reimbursement does not exceed two round trips daily between the student's home and school.
  - d. Forty-six cents per mile, one way, provided:
    - (1) The student being transported resides more than two miles from the public school that the student attends;
    - (2) The student is transported by an adult member of the student's family;

- (3) The student is transported in a vehicle furnished by the student's parents; and
  - (4) The student's transportation is paid for by the student's parents; and
- e. Twenty-six cents per student for each one-way trip.
2. The superintendent of public instruction shall use the latest available student enrollment count in each school district in applying the provisions of subsection 1.
  3. If any moneys provided for transportation payments in the grants transportation line item in the appropriation bill for the superintendent of public instruction, as approved by the sixty-second legislative assembly, remain after application of the formula provided for in this section, the superintendent of public instruction shall prorate the remaining amounts according to the percentage of the total transportation formula amount to which each school district is entitled.
  4. This section does not authorize the reimbursement of any costs incurred in providing transportation for student attendance at extracurricular activities or events.

**SECTION 44. SCHOOL DISTRICT RAPID ENROLLMENT GROWTH - GRANT.** During the 2011-13 biennium, the superintendent of public instruction shall expend up to \$5,000,000 from the grants - state school aid line item in the appropriation bill for the superintendent of public instruction, as approved by the sixty-second legislative assembly, for the purpose of providing a grant to any school district that can demonstrate rapid enrollment growth in accordance with this section.

1. If the number of full-time equivalent students enrolled in a school district has increased by at least three percent annually and if that increase is equal to at least twenty-five full-time equivalent students, as demonstrated by the district's September tenth fall enrollment report, the district is entitled to receive a grant equal to thirty percent of the per student payment provided for in section 15.1-27-04 multiplied by the actual increase in its full-time equivalent student enrollment.
2. If the number of full-time equivalent students enrolled in a school district has increased by at least seven percent annually and if that increase is equal to at least twenty-five full-time equivalent students, as demonstrated by the district's September tenth fall enrollment report, the district is entitled to receive a grant equal to seventy percent of the per student payment provided for in section 15.1-27-04 multiplied by the actual increase in its full-time equivalent student enrollment.
3. If the number of full-time equivalent students enrolled in a school district has increased by at least thirteen percent annually and if that increase is equal to at least twenty-five full-time equivalent students, as demonstrated by the district's September tenth fall enrollment report, the district is entitled to receive a grant equal to the per student payment provided for in section 15.1-27-04 multiplied by the actual increase in its full-time equivalent student enrollment.
4. If the amount of the expenditure provided for in this section is insufficient to meet the obligations of this section, the superintendent of public instruction shall prorate the payment based on the percentage of the total amount to which each school district is entitled.

5. A district may not receive more than \$800,000 annually in accordance with this section.

**SECTION 45. USE OF NEW MONEY - TEACHER COMPENSATION INCREASES - REPORTS TO THE LEGISLATIVE MANAGEMENT.**

1. During the 2011-13 biennium, the board of each school district shall use an amount equal to at least seventy percent of all new money received by the district for per student payments to increase the compensation paid to teachers and to provide compensation to teachers who begin employment with the district on or after July 1, 2011.
2. For purposes of this section, the superintendent of public instruction shall calculate the amount of new money received by a district during the 2011-13 biennium by:
  - a. Determining the total amount of state dollars received by each district during the 2009-11 biennium as per student payments, provided that equity payments, transportation payments, contingency distributions, mill levy reduction payments, and technology support payments are not to be included in the total;
  - b. Determining the total amount of state dollars received by each district during the 2011-13 biennium as per student payments, provided that the following are not to be included in the total:
    - (1) Contingent distributions;
    - (2) Cross-border attendance moneys;
    - (3) Deferred maintenance and physical plant improvements grants;
    - (4) Equity payments;
    - (5) Federal education jobs funds program moneys;
    - (6) Home-based education program monitoring moneys;
    - (7) Mill levy reduction payments;
    - (8) PowerSchool acquisition, implementation, and utilization moneys;
    - (9) Regional education association moneys and grants; and
    - (10) Transportation payments; and
  - c. Subtracting the amount arrived at under subdivision a from the amount arrived at under subdivision b.
3. School districts providing educational services under a cooperative agreement approved by the superintendent of public instruction must, for purposes of this section, be treated as a single district.
4. a. This section does not apply to a school district if the board of the school district, after a public hearing at which public testimony and documentary evidence are accepted, determines in its discretion and by an affirmative vote of two-thirds of the members of the board that complying with subsection 1 would place the school district in the

position of having insufficient fiscal resources to meet the school district's other obligations.

- b. Within ten days of the vote required by subdivision a, the school board shall notify the superintendent of public instruction of its action and shall file a report detailing the grounds for its determination and action.
- c. The superintendent of public instruction shall report all notices received under this subsection to the legislative management.

**SECTION 46. CONTINGENT MONEY.** If any money appropriated to the superintendent of public instruction for state aid payments to school districts remains after the superintendent complies with all statutory payment obligations imposed for the biennium beginning July 1, 2011, and ending June 30, 2013, the superintendent shall use the remaining moneys to provide additional per student payments on a prorated basis according to the latest available average daily membership of each school district.

**SECTION 47. CONTINGENT TRANSFER BY BANK OF NORTH DAKOTA FOR SPECIAL EDUCATION.** If during the biennium beginning July 1, 2011, and ending June 30, 2013, the superintendent of public instruction determines that, using all available sources, there are insufficient funds with which to fully reimburse school districts for the excess costs of serving the one percent of special education students statewide who require the greatest school district expenditures in order to be provided with special education and related services, the industrial commission shall transfer from the earnings and accumulated and undivided profits of the Bank of North Dakota the amount the superintendent of public instruction certifies is necessary to provide the statutorily required level of reimbursement. The superintendent of public instruction shall file for introduction legislation requesting that the sixty-third legislative assembly return any amount transferred under this section to the Bank of North Dakota.

**SECTION 48. LEGISLATIVE MANAGEMENT STUDY - ADULT EDUCATION.** During the 2011-12 interim, the legislative management shall consider studying the provision and funding of adult education. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-third legislative assembly.

**SECTION 49. EDUCATION FUNDING AND TAXATION COMMITTEE - STUDY.**

1. The education funding and taxation committee consists of:
  - a. The following nine voting members:
    - (1) The chairman of the house education committee, or the chairman's designee;
    - (2) The chairman of the house finance and taxation committee, or the chairman's designee;
    - (3) The chairman of the senate education committee, or the chairman's designee;
    - (4) The chairman of the senate finance and taxation committee, or the chairman's designee; and
    - (5) Five legislators appointed by the chairman of the legislative management; and



- b. The following five nonvoting members:
  - (1) The tax commissioner or the commissioner's designee;
  - (2) The superintendent of public instruction or the superintendent's designee;
  - (3) A representative of the governor, selected by the governor; and
  - (4) Two school district business managers, appointed by the legislative management.
2. The chairman of the legislative management shall select one from among the voting members to serve as the chairman of the committee.
3. The committee shall establish its own rules of operation and procedure.
4. The committee may form workgroups, task forces, and subcommittees to seek additional information and outside expertise.
5.
  - a. Each member of the committee and any individual requested by the chairman to serve on a workgroup, task force, or subcommittee is entitled to receive reimbursement for actual and necessary expenses incurred in the same manner as state officials.
  - b. Each member of the legislative assembly who serves on the committee is entitled to receive per diem compensation as provided for in section 54-03-20, if the member is attending meetings or performing other duties as directed by the chairman.
6. The committee shall examine short-term and longer-term state and local involvement in funding elementary and secondary education. The committee shall report its findings, together with any legislation required to implement the recommendations, to the sixty-third legislative assembly.

**SECTION 50. SUPPLEMENTAL TEACHER-EFFECTIVENESS COMPENSATION PLANS - EXEMPTION - CARRYOVER AUTHORITY.** Section 54-44.1-11 does not apply to any moneys included in the grants - state school aid line item in the appropriation bill for the superintendent of public instruction, as approved by the sixty-second legislative assembly, for the purpose of funding supplemental teacher-effectiveness compensation plans during the 2011-13 biennium. Any moneys not expended by June 30, 2013, must be continued and expended only for the purpose of funding supplemental teacher-effectiveness compensation plans during the biennium beginning July 1, 2013, and ending June 30, 2015.

**SECTION 51. REPEAL.** Section 6 of this Act and sections 15.1-18.2-01, 15.1-18.2-02, and 15.1-18.2-03 of the North Dakota Century Code are repealed.

**SECTION 52. REPEAL.** Section 15.1-27-15 of the North Dakota Century Code is repealed.

**SECTION 53. EFFECTIVE DATE.** Sections 22 and 51 of this Act become effective on July 1, 2013.

**SECTION 54. EXPIRATION DATE.** Sections 27 through 36 of this Act are effective through June 30, 2013, and after that date are ineffective."

Renumber accordingly

2011 HOUSE APPROPRIATIONS

SB 2150

# 2011 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Education and Environment Division  
Sakakawea Room, State Capitol

SB 2150  
4/1/11  
16276

Conference Committee

Committee Clerk Signature

*Carmen Hart*

## Explanation or reason for introduction of bill/resolution:

BILL for an Act to create and enact a new section to chapter 15.1-09.1, four new sections to chapter 15.1-18.2, three new sections to chapter 15.1-21, and ten new sections to chapter 15.1-27 of the North Dakota Century Code, relating to regional education associations, the professional development advisory committee, North Dakota scholarships, and supplemental teacher-effectiveness compensation; to amend and reenact sections 15.1-06-04, 15.1-07-33, 15.1-09-58, 15.1-09.1-02, 15.1-21-02.1, 15.1-21-02.4, 15.1-21-02.5, 15.1-21-02.6, 15.1-21-08, 15.1-21-18, 15.1-21-19, 15.1-22-01, 15.1-27-03.1, 15.1-27-04, 15.1-27-07.2, 15.1-27-11, 15.1-27-35.3, 15.1-36-02, and 15.1-37-01, subsection 1 of section 15.1-37-02, and sections 15.1-37-03 and 57-15-14 of the North Dakota Century Code, relating to the school calendar, technology, regional education associations, curriculum requirements, assessments, scholarships, student consultations, state aid, school construction funding, early childhood education, care, and services, and taxable valuations; to repeal section 6 of this Act and sections 15.1-18.2-01, 15.1-18.2-02, 15.1-18.2-03, and 15.1-27-15 of the North Dakota Century Code, relating to professional development and isolated schools; to provide a continuing appropriation; to provide for compensation increases, transition payments, contingent payments, carryover authority, and the distribution of transportation grants and rapid enrollment growth grants; to provide for legislative management studies; to provide an effective date; and to provide an expiration date.

## Minutes:

You may make reference to "attached testimony."

**Chairman Skarphol:** Meeting called to order on SB 2150, announcing that all members are present. Next Monday the committee will begin at 8:00 am.

**Sheila Sandness, Legislative Council Representative:** Began discussion of Attachment # 1 and going through the summary.

**Chairman Skarphol:** You are talking about the bullets at the very top?

**Sandness:** The bullets at the very top of that. I am going to the summary.

**Chairman Skarphol:** You reference Section 23 there. When I go back and find Section 23, it would be in the right column. The section numbers in the handout do not go across.

If you look at Page 8, for example, of that handout and you look at the second one down, if you look across at Section 21 on the left, 24 in the middle, and 25 on the right.

**Sandness:** The right column is the house education committee amendments. The section numbers change as the bills were amended.

**Chairman Skarphol:** The topic on that line going across is the same, just the section numbers change. We will be referring to the Education Committee SB 2150

**Sandness:** Continuing with attachment # 1.

**Rep. Monson:** None of these bullet points are in 2013. We would have to add each of these in there if we were going to implement them and fund them.

**Sandness:** That is correct. However, the \$68,000 that affects operating expenses and the \$300,000 that affects the alternative teacher compensation system review panel would be in the operating costs of the department. The other three items, depending on how you want to handle the \$4 million for the teacher effectiveness compensation program would be within the state school aid lines. There are a couple of ways that this could be handled. You could either add money to state school aid or you could change the per student payment rates to provide that the funding that is in 2013 will fund these items and the per student payments at the new rate, at a lower rate. She continued explanation of the summary section by section and discussed those that have a fiscal impact.

**Rep. Dosch:** Referring to p. 2 of Attachment #1, we are authorizing the school districts to support an early childhood education program with local tax revenue if they so desire?

**Sandness:** Local taxes other than what they would need to support their elementary and high educational services.

**Rep. Dosch:** We work to get the 70% funding for our schools and such. Then we allow this authorization, allow them to increase local taxes to do this, aren't they going to be coming back to us next biennium and saying you are no longer funding 70% of our costs, so we need more money for you to keep up your commitment? In Bismarck free busing is offered to our in-town kids. Free busing, who pays for that? The local school district pays for that so that is another operating expense increase. Is this considered another operating expense increase if they elect to do that to raise our local property taxes?

**Rep. Martinson:** It might be easiest if she goes through and questions are asked later.

**Rep. Kelsch, Dist. 34:** Speaks to clarify and provide some expertise as to where some of this language came from. The language was put in as part of the original bill. It was clarifying language that 35 school districts had asked for because the law was gray as to whether or not they could with local dollars begin an early childhood education program. The Senate put placeholder language in that would have said state dollars. What they were preparing for was a preschool program allowed by the state. We removed that language and left language basically as it was originally introduced and just saying that you can do this as long as you have met all the needs of your K-12 obligations.

**Rep. Dosch:** Is there any validity to my concern that if we allow them to increase taxes, what then will prevent them from coming back next session and saying you aren't funding at 70%, we need more money?

**Rep. Kelsch:** You may have a concern because Bismarck still has an unlimited mill levy. Most school districts are capped at the 110 mills except I think for two.

**Sandness:** She continued with the Summary Sections on pp. 2-12 of Attachment # 1 delineating the items that are related to SB 2013. Noted were those areas where no fiscal effect is made.

**Chairman Skarphol:** Referring to Section 19, what does discontinuation of the distribution mean?

**Sandness:** I think it has to do with how the test was administered before. It was a reduction in the cost to continue. When the writing portion was removed, it did not make any reductions. Had the House Education committee left it in, it would have required an additional \$12,000.

**Chairman Skarphol:** In this section you are referencing \$808,400. There is a \$400 difference in all reality?

**Sandness:** Right. They are actually short \$400. Continuing with Section 21, the weighted daily average membership, the Senate did remove the supplemental teacher effectiveness compensation factor. Included in the current version of 2150 there would be the \$3 million increase which is in 2013 in the state aid line for the technology factor. There was a \$2.5 million increase for the special education factor. That is also included in 2013 as it is. \$115,000 increase for the revision of the isolated school formula is included in 2013 as it is. The \$7.5 million, I noted that was in the executive recommendation, but the Senate removed that and increased the per student payments. It still is in the state aid line. It is just that it is not in the factor. It is in the state aid per student payment number. The Senate removed the factor for the teacher effectiveness compensation, but they bumped up the per student payment. That money is still in the same line. It is just in a different part of the formula. When they bump up the student payment that is where you are running into a little problem. When you put back the teacher effectiveness compensation provision, you almost have to go back down on that per student payment rate to recover the money that was flipped in the Senate. A .04 factor is provided in Section 31, but a funding source is not identified. That is one of the things that will have to be addressed. Did they intend it to come from state school aid? If they did, then state school aid would either have to be increased or the per student payment rate would have to be decreased if you want to maintain the funding level at what it is now.

**Chairman Skarphol:** This factor is the per pupil factor?

**Sandness:** It is a factor that is applied to the number of pupils that are taught.

**Chairman Skarphol:** Going back to p. 6 of Attachment #1, let us look at the \$3 million increase. You change the factor from .002 to .006 and that results in a \$3 million increase.

The next one is changed from .07 to .073, isn't that  $\frac{3}{4}$  of what was done above? I am assuming they are estimates.

**Sandness:** That is correct. They are estimates, but these factors don't always apply across the board. Some factors would apply to more students than others. She continued with Section #22. We are guessing on the \$1,088,000 as to the fiscal note on that. The estimate on that .2 weighting factor is not established until the 2013-15 biennium.

**Chairman Skarphol:** Weren't there some dollars associated with this and is that reflected elsewhere?

**Sandness:** The dollars for this really aren't in 2013 because its effective date isn't until 13-15.

**Chairman Skarphol:** Wasn't there grant money or something in this biennium?

**Sandness:** That is correct. There is a separate section in 2013, \$400,000 roughly in 2013 currently for school districts wanting to implement it early. Continuing with Section 23, the Senate decided to even out the payments and have \$3,961 for both years of the biennium. They rolled in that \$7.5 million they saved by removing the teacher compensation system program. They were able to provide a higher rate for both years. School districts are required to have 181 days the first year of the biennium and 182 days in the second year so that would account for the difference in the reimbursements.

**Chairman Skarphol:** Where did the \$2.2 million go?

**Sandness:** If you go back to the handout that I gave you, Line 1 is that state school aid line. That dollar amount is paid out based on the formula. The formula is based on the per student payment rates and the ADM roughly. If you reduce the per student payment rate, you could reduce what is in the state school aid line by that amount.

**Chairman Skarphol:** Changing the payment rates to \$3,930 and \$3,970 resulted in that \$2.2 million reduction. Rather than utilizing all the money, they changed the rates and calculated the savings. If the 2.2 would have been left in, the 3,930 and 3,970 would have been slightly higher.

**Sandness:** They could have been higher. She continued with p. 8 of Attachment #1, delineating each of the sections remaining. Section 27 is the reinsertion of the supplemental teacher effectiveness compensation plan. Sections 27-36 all relate to the supplemental teacher effectiveness compensation plan. Section 31 reviews the formula to distribute this funding.

**Chairman Skarphol:** If a school is in, they are all in on all teachers. Is that your understanding? A school can't be in on a portion of their teachers being in this supplemental plan. They are either all in or not all in?

**Sandness:** Not sure of that. She continued with explanation of the supplemental teacher's effectiveness compensation plan which went through Section 36.

**Chairman Skarphol:** One of the administrators talked to me about an older program that was available that he thought might be more suitable so when we come back to discuss this, I would like to have you provide us with information that would give us a comparison between a program that was in place less than ten years ago and today.

**Rep. Hawken:** How much total is in that fund?

**Sandness:** As of December 31, 2010, the total value of permanent fund assets was \$62.7 million of which \$29.1 million was school construction loans receivable. The actual Coal Development Trust Fund is estimated to receive \$1.5 million next biennium in school construction loan income. There is also some investment income. There is an estimated transfer to the general fund of earnings of \$1.9 million. She continued with Sections 38-41 on p. 12 with no fiscal effect on that.

**Chairman Skarphol:** Addressing Mr. Coleman, do you get the numbers as to how much valuation changed in a school district?

**Coleman:** Yes, we collect taxable valuation.

**Chairman Skarphol:** Do you have them compiled in some kind of a database so if we ask for a comparison, we could get it?

**Coleman:** Yes

**Sandness:** She continued with the explanation of contingent funding for transportation in Section 43.

**Chairman Skarphol:** There was \$5 million that was set aside in the 09 assembly that will trigger and be distributed at the end of this biennium?

**Sandness:** It will be distributed in the 09-11 biennium.

**Chairman Skarphol:** There is an additional \$5 million appropriated in 2013 for the upcoming biennium to be distributed when?

**Sandness:** 2013 doesn't include a contingent. The 1013 from last biennium included \$43.5 million plus the \$5 million contingent. This time they just took that money. They didn't make it contingent and they included in 2013 in the transportation line so it is \$48.5 million total in 2013.

**Chairman Skarphol:** There is a \$5 million increase proposed for 2013. When is it scheduled to get distributed?

**Coleman, DPI:** The increase of that \$5 million will get distributed by increasing the reimbursement rates.

**Chairman Skarphol:** That gets distributed over the biennium. The contingent appropriation in this biennium, how does that get distributed?

**Coleman:** On a pro rata basis based on the amount of transportation reimbursement that districts receive. They will be distributed in a lump sum. It would basically be considered a bonus in my mind.

**Sandness:** She continued with p. 13, Section 44 of Attachment # 1. I would refer you back to your schedule for 2013 in Line 1, the state school aid line that currently has the \$919 million in it. That is where it would be coming from.

**Chairman Skarphol:** In each case 3%, 7%, 13%, you have the 25 student increase required? You have to have a minimum of 25 student increase?

**Sandness:** Yes.

**Rep. Monson:** There is a finite pool of \$919.4 million. If you are going to reserve \$5 million out of there, what effect, if any, is that going to have on the per pupil payments? We almost have to scale those back in order to keep \$5 million back in case this happens.

**Sandness:** Correct. They did reduce the per student payments in this amendment somewhat, but the reduction that was made accounted for about \$2.2 million in savings. That \$2.2 million in savings isn't going to cover the \$5 million and it won't cover the \$4 million for the teacher compensation plan.

**Rep. Monson:** If these schools actually grow, our estimate of the number of pupils in the state may end up being a little lower and that second year's per pupil payment could be affected to the point where we see it actually have to shrink a little the second year of the biennium.

**Sandness:** Maybe Jerry could speak to this better than I. His job is to guess at numbers.

**Chairman Skarphol:** We will have to continue to discuss this. We need more detail on what number or numbers we need to change to affect this properly.

**Rep. Monson:** This is putting Jerry back into quite a tenable position again where we could end up with contingency funds if they make their estimate and they are too low or could end up being too high.

*Laughter*

**Sandness:** She continued with Section 45 of Attachment #1.

**Chairman Skarphol:** I asked for a document that would give the committee some idea of the percentage by district that is paying teacher salaries. The 70% issue does become an issue in some cases. We can't keep doing that or we are eventually going to get ourselves in a position where the other costs associated with running a school aren't achievable.

**Coleman:** Just so I am getting the request straight. You are looking at the total percentage that school districts spend on teacher compensation.



**Chairman Skarphol:** Right, out of their total budget.

**Coleman:** I can provide that, by district.

**Sandness:** She continued with p. 14, delineating those items still in 2013.

**Chairman Skarphol:** Is that \$461,500 the same money that used elsewhere by the Senate?

**Sandness:** The amounts are very similar. That \$461,500 was removed by the Senate and then they put back in \$460,000 for those alternative education program grants for the 6<sup>th</sup>, 7<sup>th</sup>, and 8<sup>th</sup> graders. If they wanted to implement that program early, there were some grants available.

**Chairman Skarphol:** Bottom of p. 14, where you said the Senate removed that has to do with the supplemental teacher effectiveness, the House put that program back in. Was there a separate appropriation put in for this \$20,000 then or was it just anticipated we would handle that?

**Morrisette, OMB Analyst:** That is part of the \$300,000 that Sheila mentioned earlier.

**Sandness:** She continued on Page 15 of Attachment #1.

**Rep. Monson:** Going back to section 32, I don't see where there was any money in that program when the Senate put it in either. That was just coming out of the regular student aid?

**Chairman Skarphol:** It is just a report.

**Sandness:** She continued with Sections 48-49 of Attachment #1.

**Chairman Skarphol:** That is just included in what would be a normal interim committee, would it not?

**Sandness:** Right. She continued with Section 50 of Attachment #1.

**Chairman Skarphol:** If the agreement with the teacher was that they will get paid until the start of the next school year, there would have to be money available to pay them after June 30 if they were going to get paid for July and August. I am assuming it wouldn't include all monies, just those for funding the supplemental teacher's effectiveness compensation plan.

**Sandness:** She continued with Sections 51-52 of Attachment #1.

**Chairman Skarphol:** Isolated schools were put in as a weighting factor?

**Sandness:** Right, there were changes to the formula for that. The .20 factor is effective July 1, 2013.

**Chairman Skarphol:** He asked Sheila if she was able to note what questions that were asked and she replied with a review.

**Rep. Martinson:** He complemented Sandness on the compilation of this document.

**Rep. Hawken:** Relay to Valarie Fischer that we need some idea of what the total would be for the two years in regard to adult education. I know it is a guess on the federal. That is okay.

**Chairman Skarphol:** Meeting adjourned.

# 2011 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Education and Environment Division  
Sakakawea Room, State Capitol

SB 2150  
4/4/11  
16286

Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

A BILL for an Act to create and enact a new section to chapter 15.1-09.1, four new sections to chapter 15.1-18.2, three new sections to chapter 15.1-21, and ten new sections to chapter 15.1-27 of the North Dakota Century Code, relating to regional education associations, the professional development advisory committee, North Dakota scholarships, and supplemental teacher-effectiveness compensation; to amend and reenact sections 15.1-06-04, 15.1-07-33, 15.1-09-58, 15.1-09.1-02, 15.1-21-02.1, 15.1-21-02.4, 15.1-21-02.5, 15.1-21-02.6, 15.1-21-08, 15.1-21-18, 15.1-21-19, 15.1-22-01, 15.1-27-03.1, 15.1-27-04, 15.1-27-07.2, 15.1-27-11, 15.1-27-35.3, 15.1-36-02, and 15.1-37-01, subsection 1 of section 15.1-37-02, and sections 15.1-37-03 and 57-15-14 of the North Dakota Century Code, relating to the school calendar, technology, regional education associations, curriculum requirements, assessments, scholarships, student consultations, state aid, school construction funding, early childhood education, care, and services, and taxable valuations; to repeal section 6 of this Act and sections 15.1-18.2-01, 15.1-18.2-02, 15.1-18.2-03, and 15.1-27-15 of the North Dakota Century Code, relating to professional development and isolated schools; to provide a continuing appropriation; to provide for compensation increases, transition payments, contingent payments, carryover authority, and the distribution of transportation grants and rapid enrollment growth grants; to provide for legislative management studies; to provide an effective date; and to provide an expiration date.

Minutes:

Attachment #1

**Chairman Skarphol:** We will take up SB 2150. There is a new initiative for new and growing schools. I appreciate all the work Rep. Kelsh has done on that. I would like the body to vote on it. Rep. Delzer is checking on the best procedure for us to bring that issue to a vote on the floor so we would vote on it separately on the floor. I wasn't sure if we needed to do it here in full committee or just do it when it comes to the floor. Are there any topics that the committee would like to discuss? The alternative teachers pay issue? There are rumblings that some like it and some don't. The price tag in here is \$4 million. (Attachment # 1)

**Rep. Dosch:** As it is in the bill, I could not support it. I am not sure what you are looking for. If you want to take any motions now or wait until we have discussed it more or what your feelings are. I look for that whole section to be removed.

**Rep. Hawken:** I don't know what the correct way is to move forward. Maybe we should allow one school district that is ready and would apply to a certain amount of money to try it.

**Sandness:** \$18.8M annual if it were applied to everyone.

**Rep. Hawken:** I don't know if it is feasible. I think it was studied during the last session. I think it is someplace the districts would like to go eventually.

**Rep. Dosch:** They can do that now if they so desire. All teachers should be paid based on performance. We say we want the best teachers in our school systems; then let's pay the best teachers the best salaries and the worst teachers the worst salary. I can't see throwing additional money at them.

**Rep. Hawken:** Discussing the difficulty with performance pay and varying student body. Teacher has no control over students in their classroom. The raw product the teacher is dealing with they have no control over. They have to deal with the children that are in their classroom so it varies dramatically from year to year. It is not all that easy to figure out what that is.

**Chairman Skarphol:** Assessments will not be the only criteria used.

**Rep. Hawken:** I am making that as a point since it is not just simple. You can't say you are just going to do it on test scores and if the kids do well on the tests you are going to get more money.

**Chairman Skarphol:** In many situations it will have a significant effect on moral. One teacher is going to find out they are not considered a highly acceptable teacher opposed to another so they will resent that.

**Rep. Dosch:** Why do educators have to be treated differently than anyone else in the private sector? They should not be evaluated only on student performance. The average of the three scores, parent concern, students, administration and that could tell you quickly who are the good teachers and who the not so good teachers are. When you are ready I would certainly be willing to make a motion.

**Rep. Monson:** We will not \$37.6 million and I believe it was \$4 million that was being discussed as of the pilot program. I would say no more than \$4 million should be on the table and Rep. Kelsh's committee came up with some ideas on how to implement this.

**Chairman Skarphol:** Do we want to commit dollars to this or if we want to wait two years to see if there is better research indicating that there is a good potential that it would be successful.

**Rep. Dosch:** The problem with the pilot is, are prepared next session to put in another \$40 million because that is the problem with all of these studies; we know where it is going the next session.

**Rep. Kelsh:** It is a pilot, when the funding was at \$5 million that was about 20 school districts that would qualify to participate in the program. You are looking at about 15 schools that would qualify for the program. That is about as much of a pilot as you can possibly get. It is a mix of large, medium and small schools. Rep. Dosch hit the nail on the head about the moral issue and all of that. In the business world nothing frustrates me more than knowing that Joe setting next to me makes exactly the same amount of money as I do and I work twice as hard as he does. This proposal has come forward session after session after legislative session. Is there a way we can actually reward good teachers? The opposite of the moral issue is I want to be as good as the best teachers. We won't see that settling in on that ladder approach because you are going to want to be better. I don't believe all school districts will ever buy into this. This takes work and the superintendent, teachers and school board has to work. Once you got it up and running that you wouldn't necessarily need additional appropriations. The goal is to get teachers off the ladder approach. The goal is to get away from the 70%. The other issue is the decreases in Federal government funds, there will be a pay for performance component in there. Whether we like it or not we will have to comply and what we have been told is that if you have a plan in existence it probably will be grandfathered in otherwise you will be dictated how your plan will go.

**Chairman Skarphol:** In the summary from Legislative Council has done for us it says the superintendent must multiply the number of students an average daily membership constructed by the number of full time equitant teachers participating in the districts supplemental teacher effectiveness compensation plan. So a teacher in a district can decide whether or not they want to participate? Referring to attachment # 1, Proposed Amendments to Reengrossed Senate Bill 2150.

**Rep. R. Kelsh:** It can be a whole school district or it can be a whole school. It doesn't have to be the whole school district, but it would be a school and then you would assume that all teachers would participate in it. That doesn't necessarily mean that it is going to be the whole school district. Mr. Johnson just said depending on how they negotiate, if a teacher did not want to participate maybe they wouldn't have to, but it would be my understanding you would want to participate in the program.

**Chairman Skarphol:** This is supplemental to the ladder, even if not all teachers participate, the ladder still exists. There would be two different pay scales.

**Rep. R. Kelsh:** In the negotiations all teachers would participate because when teachers negotiate they negotiate as a unit. I can't imagine that a teacher would not participate in the program. You are not going to see the ladder go away this session or the next session, but you may go away in 6-10 years after it is fully implemented. I think that is what I envision happening.

**Rep. Dosch:** Is there a plan out there? Do each of these school districts develop their own plan?

**Rep. R. Kelsh:** The policy in SB 2150 it does lay out what the core components of the plan need to be and then the school districts negotiate and develop the plan in consensus with the school boards, teachers, superintendents and anyone they invite in to develop the plan and then the plan has to go to a review panel and they accept the plan. The reason it is done that way is because each school district is a little bit unique and since we are big in the state on local control we felt that was better to let it go back to the school district and let them negotiate through their uniqueness or their needs and what it is they see their school district needing to do in order to be successful.

**Rep. Dosch:** I see that as kind of a disaster. Every school district will have a different plan out there. How can there be consistency or fairness if you want to call it that between one school district and the other? My concern with this program is we are going to have some watered down program and everyone is going to end up getting a portion of this extra money anyway so all we have done is raised our pay without really changing anything. My question to you is what would be wrong since we do set the policy in this state to say that by the year 2 or 3 biennium's out you will have a program in place and teachers will be paid based on performance period.

**Rep. K. Kelsh:** The definition of performance is in the eye of the beholder. A strong local component needs to be in place. If you look at business, not every business operates exactly the same. It is the same with the school. If we look at a school and look at as a business; not all of them operate exactly the same. There need to be guidelines and laws in place. We do give them some flexibility in areas where they can either listen to what the parents want them to do or listen to what the school board wants them to do or listen basically to their own constituency. Just strictly performance at this point that means Test. On any given day is a test a good evaluation of where a student is on that date? Maybe and maybe not. So to just go on performance you probably can't do that, but you can bring in other factors. Down the road could you bring in performance and outcomes as a greater component, sure?

**Rep. Dosch:** You are saying if we don't do this and the feds come up you are going to be on their plan. Their plan is going to be a one size fits all, which would be far worse than because ND would be treated the same way as California, for example so why can't we as a state come up with a state plan that all of our schools are going to have to follow when it comes to this? Develop a uniform state plan.

**Rep. R. Kelsh:** You may not want a mandated state-wide plan. North Dakota may come up with three plans to fit the various types of schools. Potentially if you look at this and have the implementation be in the three different levels of the large school districts, the medium school districts and the small school districts, maybe ND comes up with three plans. There are also reports that have to be filed with Legislative Management again so we can take a look at this and determine what it is that needs to go forward. It is tough to base it on one year's data, but you could potentially say look it is not going to work. I don't like one size fits all. Number one we are not a rural state, we are a frontier state and so when we see the Secretary of Education or any other secretary coming out here and talking to us about our state they are always talking about rural. Rural to them is Overland Park, Kansas. I have a different view point to what the federal government determines is best for us. I would prefer to come up with something on our own and potentially have it be a three

tier that maybe better fits the needs of our state than to have them come in with a one size fits all.

**Rep. Monson:** What are in 2150 are the components that are the plan that Rep. Kelsh's committee came up with. It leaves the local school district flexibility. The question is do we stick money into this? There a lot of schools with a lot of money.

**Rep. Williams:** I would like to hear the interests of people in the audience.

**Doug Johnson, Executive Director of the North Dakota Council of Educational Leaders:** We support the amendment to 2150. We have had considerable input to the amendments that we made. Those were amendments we had recommended in the Senate Education committee. We did have the individuals who run the Denver ProComm, which is probably the one most established in the US presented to our superintendents conference in January. Their recommendation was to start with some sort of pilot or developmental grant to get it started. My board is behind this and so is the superintendent's board and this is the direction we think we have to take.

**Rep. Williams:** I have not heard from school administrators or school districts any outcry for this program.

**Johnson:** It came through the commission's process that we need to look at this and at least consider it. We need to have some type of program that us as a state can take a look at what can be done and how it can be done. Also we said we wanted to go slow and have research developed and supported and we think this provides at least the ability for those school districts that would be interested in taking this on ability to go through research based process that they can support with a sunset clause and report back to the legislature on the effectiveness or the lack there of and let you make that determination. We think it needs to go forward at this time.

**Chairman Skarphol:** Did you say Denver Public School system is utilizing this?

**Johnson:** Yes, Denver has what is called Procom. That was established and they began doing this in a pilot state a little over 10 years ago. In 2005 the city of Denver had a mill levy increase of \$25million a year for their program for 4500 teachers. It is about half the teachers we have in the state of ND. From that they have developed a program that sets us all up for their particular school district. It is not the program; it is one program. It is limited to those teachers who teach the core areas. It is just the teachers who teach in math, science and language arts that are assessed by the state. They don't have a high factor rate for getting that salary up for those teachers that are involved with that. Teachers have the option to utilize into that program. In the next year or two all teachers will be in the program.

**Chairman Skarphol:** Only one state, Minnesota, is trying to do this.

**Johnson:** Minnesota put in what is called Q comp several years ago. Just after they got it in place they had a significant reduction in public education funding and so schools that opted into that are usually basically using that money just to survive at this point in time. So the success rate of that is not one that we think should be modeled, but looked at.

**Chairman Skarphol:** Meeting closed until after floor session.



# 2011 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Education and Environment Division  
Sakakawea Room, State Capitol

SB 2150

4/5/11

16378

Conference Committee

Committee Clerk Signature

*Shirley Branning*

## Explanation or reason for introduction of bill/resolution:

A BILL, relating to the school calendar, technology, regional education associations, curriculum requirements, assessments, scholarships, student consultations, state aid, school construction funding, early childhood education, care, and services, and taxable valuations; to repeal section 6 of this Act and sections 15.1-18.2-01, 15.1-18.2-02, 15.1-18.2-03, and 15.1-27-15 of the North Dakota Century Code, relating to professional development and isolated schools; to provide a continuing appropriation; to provide for compensation increases, transition payments, contingent payments, carryover authority, and the distribution of transportation grants and rapid enrollment growth grants; to provide for legislative management studies; to provide an effective date; and to provide an expiration date.

## Minutes:

You may make reference to "attached testimony."

**Chairman Skarphol:** Brought the committee discussion to SB 2150, referring to proposed Amendment # .07029, the issue of the Land and Minerals trust fund and the continuing appropriation. Section 16, subsection 3 in the bill. It would still come out of the Land and Minerals Trust Fund but would remove the continuing appropriation aspect of it because this fund is probably gonna change its name and there is discussion of a different source being proposed.

**Rep. Monson:** Have they figured out a new name? So all we need to do is remove the continuing appropriation.

## Motion to remove the continuing appropriation

**Rep. Hawken:** Second

## Voice Vote Carried

**Chairman Skarphol:** The next topic is the Foundation Aid grant line, what was the dollar amount when the Senate did away with the supplemental teacher payments?

**Sandness:** Section 21 of the House Amendments.

**Joe Morrisette, OMB Analyst:** That is why the Senate changed the per student payment rate so it would get spend out in that fashion.

**Chairman Skarphol:** If the House chooses not to spend the \$7.5M in that fashion.....

**Sandness:** The amendment would be to remove \$7.5M from Senate Bill 2013 the State Aid line.

**Chairman Skarphol:** Take care of that when we take up SB 2013.

**Sandness:** The language is in here for the Teacher Compensation Effectiveness plan but it is a different plan, so removing the \$7.5M would need to be done in 2013 because that is where the money is.

**Rep. Martinson:** Move to remove the \$7.5M from the school aid line in 2013

**Rep. Dosch:** Second

**Voice Vote carried.**

**Rep. Dosch:** Will we have to adjust the per pupil payment?

**Chairman Skarphol:** Yes. Where are the sections on the Supplemental Teacher pay?

**Rep. Dosch:** it starts in Section 27 (Of the bill) \$4M in that? Section 30 has the reference to the \$4M.

**Chairman Skarphol:** Designed for \$4M but not sure it is in there. We would have to adjust ...

**Sandness:** The \$4M was not identified in SB 2150. The intent was to pay for it in the reduction in school days, but was done through the per pupil adjustment. It is not in there right now.

**Chairman Skarphol:** In Sections 27 ....This would come in Section 31 with the weighted factor?

**Sandness:** Inaudible

**Chairman Skarphol:** If we wish to leave the language allowing Supplemental Teacher pay, but not fund it, how do we do that? There is 70% of new salary money going out amounting to \$73M.

**Sandness:** \$7.5M came from the Executive recommendation in school aid. Now if you reverse out \$7.5M from State School Aid in SB 2013. You need to bring the per pupil payments down because the Senate increased them. Without changing SB 2150 where it is showing those payments going out. ...

**Rep. Monson:** We have made the adjustment back down, we took that money out of the line item so that it would not just be going out in payments like the Senate wanted. Now we are poised to fund it or not fund it at anywhere from zero to \$7.5M.

**Sandness:** The per student payment, you have that dollar amount in state school aid and the per student payment is the last thing to be arrived at. You could determine that number a couple of different ways. It would have to part of the calculation to not include that in the per student payment rate.

**Joe Morrissette, OMB Analyst:** If you have taken the \$7.5M out and then the intent is to authorize supplemental program but not authorize any funds. The per student payment rates have to be adjusted. Take out Section 30, 31, 32 and 33.

**Rep. Kelsch:** If you don't want to put any funding in, remove Section 30. You are not going to insist that they have all of those requirements on them if you won't be giving them any money. Then you remove Section 30. When you removed the \$7.5m now you are down to approximately \$31M in the Foundation Aid line. You talk about the 70%, it is not of the \$103M because that is all the new money that went in and the moneys that are excluded from that are transportation, contingent distributions, deferred maintenance, equity payments, jobs money, mill levy reduction payments, the Power School, the REA moneys. Removing Section 30 would be the best way if you are not going to fund it. Removing the \$7.5 you have taken the foundation aid payments down to about \$31.3M.

**Rep. Monson:** That money is just sitting on the table at this point. We haven't done anything with it so let's take it out.

**Chairman Skarphol:** The grants line is what we are talking about, school aids grants line.

**Rep. Kelsch:** You were talking about the new money, 70% of the new money so for Foundation aid payments going out to the schools are what we are talking about. You just reduced that down to about \$31.3M. They do get 70% of that money but not 70% of all new money that is distributed to the school districts.

Meeting Closed.

# 2011 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Education and Environment Division  
Sakakawea Room, State Capitol

SB 2150

4/7/11

16420

Conference Committee

Committee Clerk Signature

*Shirley Branning*

## Explanation or reason for introduction of bill/resolution:

Relating to the school calendar, technology, regional education associations, curriculum requirements, assessments, scholarships, student consultations, state aid, school construction funding, early childhood education, care, and services, and taxable valuations; to repeal section 6 of this Act and sections 15.1-18.2-01, 15.1-18.2-02, 15.1-18.2-03, and 15.1-27-15 of the North Dakota Century Code, relating to professional development and isolated schools; to provide a continuing appropriation; to provide for compensation increases, transition payments, contingent payments, carryover authority, and the distribution of transportation grants and rapid enrollment growth grants; to provide for legislative management studies; to provide an effective date; and to provide an expiration

## Minutes:

*Amendments .07032, .07034, Attachment # 1*

**Chairman Skarphol:** Brought the Committee to order to discuss Amendments to SB 2150 and noting that everyone is present. The Governor was recognized and provided a copy of the Amendments.

**Anita Thomas, Counsel to the Legislative Council:** (Inaudible) Explaining the changes made to the .07034 version of amendments made to SB 2150. Sections that were removed from the Hog House amendment were delineated, the three sections that pertain to the teacher support program, the establishment, the availability of services, authorized service recipients.

**Chairman Skarphol:** We did not want the mentoring program removed in this amendment.

**Thomas:** Explaining the differences between the Hog House # .07034 and .07032 See the attached amendments.

**Chairman Skarphol:** In "34" is the mentoring program removed? That was not the intent.

**Thomas:** The directions were to remove sections 7, 8, and 9 related to teacher mentoring. The first section that was removed was the academic scholarship program

**Sheila Sandness, Legislative Council Representative:** The "34" amendments were prepared just for you and the "32" amendments were prepared for the committee. Those are the amendments that do not remove the mentoring program.

**Chairman Skarphol:** Hang on to # "32" because "34" was only under consideration and had not been decided yet.

**Thomas:** You want to be on the "32" Section 22 Alternative education, that was the old 22. Because we are working on a Hog House we are going in and amending the 07000 version and we will talk a lot about sections that are not in the Hog House. The first section that was removed was the one that pertained to the biannual transfer of money for the North Dakota scholarship fund. That is the section that asks the Board of higher ed to certify to the state treasurer the amount of money that would be needed for the academic scholarships and the career and technical scholarships. The state treasurer was to transfer the money twice a year from the interest and income of the lands and Minerals trust fund.

**Chairman Skarphol:** In the Hog House it would be after Section 15, correct? What was Section 16 in the bill is now Section 17.

**Thomas:** Yes. Remove the factor for the Middle School Alternative Education program that would have taken.....that would be the amendment of Section 15.1-27-03.1.

Next amendments pertain to the supplemental teacher effectiveness compensation plan, old section 30, now 26 in the amendment and 28 is the first one to contain changes. This section provided that the review panel would review each plan to insure that it met the requirements of as stated in the amendment and comparing all the eligible plans recommended for funding. The language is changed to: Beginning April 1, 2012 the panel shall review each plan to ensure that each plan meets the requirements of the act. Removed from the original version was language that if there is insufficient funding this panel would choose district plans that were small, medium and large.

Succeeding section was removed relating to the amount of money to each district submitting a plan was eligible to recede. Further removed was the section that authorization to use up to 5% the moneys for additional expenses incurred in creating a plan. Section 30 of the 32 amendment, and reading from the amendment; removed was language that pertained to continuation of the above stated plan. Section 40 pertains to school district rapid enrollment growth grant has been changed to the other grants line item. Continuing with explanation and comparison of the two amendments, Sections 46.

**Chairman Skarphol:** Referring to Section 46, you say there are changes?

**Thomas:** Removed was the committee was authorization to form task forces and subcommittees, seek additional information and outside expertise. They will report to Legislative Management as all other interim committees do.

Continuing with the subsection review – Teacher Compensation effectiveness carry over authority removed along with the sunset clause.

**Rep. Hawken:** How much money is in the supplemental teacher compensation program.

**Chairman Skarphol:** \$1M, \$300,000 for the consultant. This only adds the \$700,000 for grants to be delivered by the Superintendent of Public Instruction.

**Rep. Dosch:** To qualify to get reimbursed on that \$700,000 grants is there a requirement to have something in place or do they have to implement their plan?

**Chairman Skarphol:** Merely developed. So we can evaluate it to see if we want to move forward with funding in the next session.

**Rep. Monson:** A question on 46, education funding and taxation committee. Is this in the old bill?

**Chairman Skarphol:** In the old bill, yes. Removed is the segment that allowed for working groups and an interim legislative committee does not have the authority to set up sub groups without the approval of legislative council chairman. The House Majority leader wanted that type of information removed, so legislative council chairman in the interim would have to approve any sub groups or working groups.

**Rep. Monson:** to see the differences in these from the way we had it we would look at .0029 and kind of compare it to "32" (referring to the amendment number).

**Chairman Skarphol:** It would be Section 49 in amendment # 29. You can see the additional language under #s 5 and 6. Any further questions. Asking Sandness if there is anything further.

**Sandness:** It incorporates all of the items discussed.

**Rep. Hawken:** Inaudible

**Chairman Skarphol:** We haven't changed anything with the loan program or the rapidly growing schools.

**Rep. Monson:** Move the adoption of Amendment # .070032 to SB 2150.

**Rep. Martinson:** Second

**Rep. Hawken:** Discussing changes, the teacher compensation plan is not changed (inaudible)

**Chairman Skarphol:** Continuing education in the middle school and teacher compensation are the two major issues. The Land and Minerals money will be put into SB 2013. A new mechanism will be created next session for the continuing appropriation after the changes that are taking place here.

**Sandness:** We did not have the final numbers on per pupil payment rates and that will have to be updated when the dollar amount is finalized. It will be changed to reflect what the Governor had proposed for 2013.

**Chairman Skarphol:** We will get his opinion of that later.

**Roll Call Vote Carried 6-0-0**

**Chairman Skarphol:** Another change to the construction aspect to the rapidly growing schools scenario. The House Education Committee made some changes; we made some changes and had discussions with Mr. Marthaller about getting local participation. Under the current scenario the school district makes an application for a loan, there is a needs assessment done which determines the level of richness or poorness. A market analysis of the interest rates follows then an evaluation process that helps calculate what the interest rate would be on the loan that would be given to those entities. While the proposal in SB 2150 is more attractive than the one in the past, our discussion have been our concern that locals have skin in the game. It has been suggested that we go back to an older program that would give them a lower loan rate and require a dollar for dollar match and thereby increasing the number of loans that could potentially be available because we would also reduce the cap size. There is a \$21M fund existing that has been underutilized with a total value of about \$50M. About \$30M of it is on loan being repaid, \$21M is still available. Requesting Mr. Marthaller give a brief description of the mechanism as it exists today.

**Rep. Hawken:** Could you tell us what those things mean as you go through it?

**Bob Marthaller, Assistant Superintendent of Public Instruction:** Discussed loans, referring to Attachment # 1, to determine what the discount rate would be. Most have to do with taxable evaluations.

**Chairman Skarphol:** Go through the specific example.

**Marthallerhaller:** Continuing with explanation of Attachment # 1. This is current information for the Williston School district.

**Chairman Skarphol:** They were in and asked for \$14M for building.

**Marthaller:** The first ratio takes a look at the total capital debt. Bonded school district indebtedness divides by the taxable valuation and when this formula was determined it received a weighting factor of 5. The higher the ratio, the greater the need.

**Chairman Skarphol:** How was the 5 determined?

**Marthaller:** Not certain about that, it was developed many years ago. The other ones, the district total levied by the North Dakota average. That is the total levies that school districts do levey and takes an average. It is in the tax finance facts books and on line.

**Chairman Skarphol:** In this case 124 divided by 142.3.....

**Marthaller:** Exactly.

**Chairman Skarphol:** The \$22M that is referred to that is the bonded indebtedness of Williston today.

**Marthaller:** It would be their bonded indebtedness assuming a project of \$14-\$15M.

**Chairman Skarphol:** That is including the \$14M.

**Marthaller:** Right now it is about \$7.1M in the Williston school district. The District and State Imputed Taxable Valuation Per Student computation was discussed to determine the need line, see Attachment # 1 near the bottom of the page.

**Chairman Skarphol:** You must subtract the last figure.

**Marthaller:** Yes. Continuing on with P. 2, and discussing the Interest Rate Discount Table. The current law provides a discount rate of from .50% to 2.00%, take the sum ratio; that falls between the ratio 4 to less than 5 so the buy down rate would be 1.7%. The last step in that process, referring to page 3 of Attachment # 1, the interest tables, the most recent provided by the Bank of North Dakota. Using the example of Williston having a 20 year term at the least favorable rating using the sum ratio of between 4-5 and looking at the BAA-1 rating that is 5.88% to participate in the construction and loan program. The market rate at the top of the table is 7.58%. This table applies the sum ratio discount, the discount rate is about 1.7%. If the bond rating is 20 year and a triple A rating their participation rate then would be 3.01%.

**Chairman Skarphol:** You are not sure of Williston's bond rating. In this scenario given their AAA rating they would be able to borrow \$12M at 5.88% under the way the amendment out of the House Education went today.

**Marthaller:** Yes. They would be able to borrow up to 80% of the project cost or the lesser of \$12M according to the way the amendment is written. The amendment would increase the discount rate would be about 2.2%, their rate would be 5.38%

**Chairman Skarphol:** 5.38 rather than 5.88%. They would be able to borrow \$11.2M rather than the \$12M which is the cap.

Our discussions is that there is a small amount of money in that fund, allowing one entity to borrow over half the money may not be the best solution. There is \$21M in there and if one borrows \$11M, that leaves only \$10M for others with potential need.

We want to spread that money out a little, by requiring one-half as a match and maybe lowering the interest rate. Encouraging the local school district more adequately address their constituency as to the viability of doing a mill levy or a bond thing. If they can borrow money from the state for 2% and put up half the other half can be borrowed at 2%. Is that a more acceptable and viable alternative?

**Rep. Kelsh:** We left it as it was because Williston came in and said they would not get the increase they want from the community. Many voters are single families and would not be able to come up with the increase. This might be a more viable option for them and this is a policy decision that we as a body have to make.

**Marthaller:** The word is getting out regarding the amendment. School districts are asking what their rate would be under the new law. If you make more money available and if you increase the discount rate, the interest in the construction loan program will increase. The



principle balance of the loan cannot exceed \$50M, there is \$20M or so available on that principle balance now.

Creating some type of balance so it can be spread fairly across the state. It is not certain if they are ready to apply, they have architects and they have been encouraged to get their project submitted as quickly as they can so that the project can be approved.

Part of what this office would have to follow the loans have to be approved in the order of construction approval.

**Chairman Skarphol:** It is not our intention to increase bricks and mortar. We are trying to figure out if there is a mechanism that would be advantageous for the rapidly growing and needy in that regard. Addressing Sandness, is there any criteria established related to a rapidly growing school district to be eligible for this?

**Sandness:** The only reference is in the assessment aspect of it and then the grants to rapidly.....not aware of anything else.

**Chairman Skarphol:** There was one inquiry, western or eastern?

**Marthaller:** North of Jamestown.

**Chairman Skarphol:** The interest is across the state for potential.

**Marthaller:** The demand on the fund will increase if you approve the discount rate. By North Dakota constitution the school district is limited in their total amount of indebtedness to 5% of assessed value but by voter approval they could increase it another 5% so they could have a 10% debt limit based on their assessed valuation. There is about \$650M assessed value in full value.

**Chairman Skarphol:** If the first number referring to Attachment # 1, is \$34M they must be at 10% already.

**Marthaller:** They could be eligible, their debt level could be from \$32-\$34M. They may already be at that level.

When local school districts apply they are required to provide their assessed value, though it is the local school district's responsibility to pay attention to that.

**Chairman Skarphol:** The recommendations that are currently in SB 2150 raises the amount that can be borrowed from \$8M to \$12M with an overall cap of no more than 80% and it changes the discount from .50% to 2% to 1% to 2.50%. That is the changes that are in there.

**Marthaller:** In the law there are three levels based upon imputed taxable valuation. That would be the upper level.

**Chairman Skarphol:** We don't want to get into building buildings but I understand the dilemma that some of these places have. From your prospective, is this more attractive than what would be in place today?

The changes in SB 2150, would that be more attractive to Williston than what is in place today?

**Marthaller:** It would, slightly so because it would make them eligible to borrow more money at a higher discount rate.

**Chairman Skarphol:** It comes down to .5% higher.

**Rep. Monson:** As it sits in SB 2150 right now. Any school district can make use of that or only rapidly growing ones. Using the construction loan fund any school district in the state, declining enrollment or increasing enrollment, quickly growing...all schools could apply and use this money in SB 2150 as it sits right now.

**Marthaller:** Yes, that is correct. Their project has to be at a \$1M level and has to be approved by the department.

**Rep. Dosch:** For clarification, throughout here it makes reference to school construction loans. Are these construction loans or permanent financing or one in the same? Once it is constructed, it becomes permanent financing.

**Marthaller:** It is a construction loan only.

**Chairman Skarphol:** It is not designed to be replaced once the construction is done. It is there for 20 years or whatever.

**Rep. Williams:** This plan was used sometime in the past?

**Marthaller:** This started in about 2007, the construction loan occurred in 1991. When the interest rate was 2.5%

**Chairman Skarphol:** Sharing a list of the repayment loans existing such as Grand Forks, Wahpeton. Any thought on what we might want to do?

**Rep. Dosch:** I have no problem increasing the discount rate to help them a little bit more, if we want to make it available to more school districts then we should not increase the maximum loan amount from \$8M to \$12M. We may want to keep that where it is and take care of some of the concern about having to come up with more money on their own. Keeping the maximum loan amount at a lower level will enable more schools to take advantage of this.

**Rep. Monson:** If we make the contribution requirement at 50%, they could go to 80% of their construction as long as it was below \$8M in present law and \$12M in SB 2150 as it sits. If we did a 50/50 match the maximum would end up being \$12M or \$8M but it would be 50% of the construction instead of 80% which would be a bigger burden on the local. I would like to see more loans available to help those who are the neediest. Leaving it as it is in SB 2150 is the best way. But if more schools can use this and include more smaller projects, then maybe the 50/50 match thing is the way to go.

**Chairman Skarphol:** You have to approve a construction an application for the construction of a school, correct?

**Marthaller:** Yes.

**Chairman Skarphol:** How many do you turn down? What are we looking at as far as potential applications? What has been the general policy? Are we turning down half saying you don't need it?

**Marthaller:** Very few projects have been denied. During the last session, with the supplemental one time grant money that was available, we approved projects that included infrastructure, others are larger at \$14M as in a reorganized or consolidation situation, there is application for a new school.

**Chairman Skarphol:** If we leave the cap at \$8M and Williston came to make an application and were to be granted, they can borrow \$6.4M out of 414M, or they get the full \$8M if you said yes.

**Marthaller:** They could get \$8M because their project cost at 80% would be greater than that. A \$14-\$15M project. Their architects have talked with their school district about it much....I have not turned any construction projects down in 3 years and Dr. Sanstad has to give final approval.

**Rep. Monson:** You look at a lot of factors, such as consolidation, life of the school so you have guidelines related to remodeling projects.

**Marthaller:** There are standards; we look at stable enrollment, projections for the school district, potential for consolidation, demographics. A whole laundry list that we look at, it should largely be a school district determination.

**Rep. Monson:** Is there an incentive if we raise that from \$8M-\$12M for that school district, maybe we can do a fancier or bigger project because now more money is available at a lower interest rate and go higher. Would that be a potential pitfall of doing this?

**Marthaller:** Not sure it is a pitfall, but if you can get cheaper money and more money, it may have an influence on the type of project you are putting together. That determination would have to be driven by local school districts.

**Rep. Williams:** In years past, schools were advised to consolidate if they wanted to build a new building.

**Chairman Skarphol:** We don't want to get into the school construction business; we want to try to do something that might help those districts. The taxable evaluation of the rapidly expanding school district should have to participate at 50% or whatever, shouldn't be a burden because if they have to do a mill levy, it could be declining every year if it is configured properly.

**Marthaller:** What happens when the school district reaches its capped levy limitation? That needs to be a part of your discussion.

**Chairman Skarphol:** Requesting a response from Coleman. What happens if a school district passes a mill levy for building, does that affect their foundation aid payment aid formula determination?

**Jerry Coleman, School Finance Director:** No, they would go to their voters, get construction approval to build and then they would finance that and be obligate to service that debt. It would not; it is entirely separate from their general fund level limitations.

**Chairman Skarphol:** We can move this to full committee and continue the discussion there.

**Rep. Monson:** If we are going to do something, I would say in the next couple of hours, let it ferment. If we do anything it will be small changes and we could do that in full committee.

**Chairman Skarphol:** Is there anything else we need to do to SB 2150?

**Rep. Dosch:** Were we gonna talk about the mentoring aspect?

**Chairman Skarphol:** The majority leader could raise that issue if he wants to. I didn't think it was something that we need to do here. If he wants to raise that issue, the 34 amendment is prepared for that. I don't know that we want to take that up in this subsection.

**Rep. Monson:** Motion to Move Do Pass as amended with .07032.

**Rep. Williams:** Second

**Motion carried, 5-1-0, Opposed by Rep. Hawken.**

**Carrier:** Chairman Skarphol

**Meeting closed.**

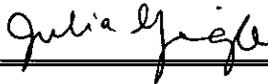
# 2011 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Committee  
Roughrider Room, State Capitol

SB 2150  
4/8/2011  
16442

Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

A BILL for an Act to create and enact a new section to chapter 15.1-09.1, four new sections to chapter 15.1-18.2, and two new sections to chapter 15.1-21 of the North Dakota Century Code, relating to regional education associations, the professional development advisory committee, and North Dakota scholarships; to amend and reenact sections 15.1-07-33, 15.1-09-58, 15.1-09.1-02, 15.1-20-01, 15.1-21-02.1, 15.1-21-02.4, 15.1-21-02.5, 15.1-21-02.6, 15.1-21-08, 15.1-21-18, 15.1-21-19, 15.1-22-01, 15.1-27-03.1, 15.1-27-04, 15.1-27-07.2, 15.1-27-11, 15.1-27-35.3, and 15.1-37-01 of the North Dakota Century Code, relating to technology, regional education associations, curriculum requirements, assessments, scholarships, student consultations, compulsory attendance, age of admission, and state aid; to repeal section 15.1-27-15 of the North Dakota Century Code, relating to isolated schools; to provide a continuing appropriation; to provide for compensation increases, transition payments, contingent payments, and the distribution of transportation grants; to provide for a legislative management study and reports; and to provide an effective date

## Minutes:

**Chairman Delzer** opened hearing on SB 2150. Amendment .07032 distributed (Hog house amendment).

**Representative Skarphol:** (explained hog house amendment .07032) In general, we changed the supplemental teacher pay package from a package which was to be initiated at a cost of \$4M to a situation where we appropriated \$1M for schools to potentially develop a plan that they would like to implement after the next legislative session. We did not initiate the program. We moved the \$4M appropriation. We did not remove money from this bill. This bill and 2013 (appropriations bill for the Department of Public Instruction (DPI)) are intertwined so it's difficult to talk about one without referring to the other. In the \$1M, we provided a \$300,000 appropriation to hire a consultant which was included in the original draft, to help enable schools to develop and their plan for supplemental teach pay. We also provided \$700,000 to offset the costs associated with schools doing it, so if the school had to take staff out of regular work and hire a substitute, they would get compensated for it. We allow for DPI to establish the guidelines on how they want to proceed and to make the requisite decisions to work through this (directed committee members to amendment .07029 to reference as he explained the sections proposed to be removed). Section 16 was removed because of the continuing appropriation in the bill. We removed the continuing appropriation from land and minerals and re-appropriated \$10M to cover the costs of the

program on 2013. We removed section 22 entirely and the \$460,000 grant that was in 2013 and the provision for a weighted factor in 2150 for a continuation of alternative middle school. We removed portions of section 30 and it would begin with the last half of the sentence in subsection b where it says 'and then comparing eligible plans' - that would be removed and everything after that going down through that entire section. Section 32 was removed. Subsection 4 of section 34 was removed which has to do with the continuation of the supplemental teacher pay. In section 44, we moved the \$5M to the other grants line item. The \$5M is for the rapid growth provisions that are in 2150. There's a new section added (section 41) that provides for the grants that I referred to (\$700,000) and provides guidelines as to what the expectations are with regard to the plans that are submitted. Section 50 is removed - that's the carryover authority. The sunset is removed in section 54, however with the provisions that were in the original bill, that would have likely been implemented and gone into effect in September of 2012, months before the next legislative session and our subsection felt there wasn't adequate time to get any real information out of that short of timeframe. We would be much better off with a presentation of various methodologies for doing what was proposed by supplemental pay and pay for performance. The subsection was supportive of the concept, but was not comfortable with initiating something that would likely have to continue for another 2 years before we would gather enough information to decide whether or not it had value. We believe it was more appropriate to put in place language that allowed for and provided some dollars to bring plans forward that would give us the capability to evaluate what it is that is being proposed and decided what a more proper course of action or funding source may be. We took half of the money that was in the contingency transportation payment, in order to roll it back into the foundation aid. In the end, the foundation aid payment is nearly equivalent to what the governor recommended in his budget presentation. The supplemental pay is not to be initiated. With that, I move amendment .07032.

**Representative Monson:** Second

**Representative Nelson:** would you explain what you did with transportation?

**Representative Skarphol:** the transportation issue is in SB 2013. There was a \$5M contingency appropriation in 2013 to be distributed at the end of this biennium if the money was available. We reduced that to half.

**Representative Nelson:** we took the money that was in the area of supplemental salaries and shifted that to the rapid enrollment from a net effect. I'm wondering why we are getting in this business. That's a substantial policy change from what came to us. I'd like more information as to why that is needed (the program itself - rapid enrollment growth).

**Representative Skarphol:** there are areas that have significant growth and the delay in the timeframe for payment on foundation aid has been an issue in past sessions. I told the people who approached me that they needed to come forward with a program that applied statewide. This program does. It is sunset, so in 2 years it is gone. We have schools that have 20% student growth. It is significant enough in some of these communities that they are looking at having to build new buildings. I agree that they shouldn't have to have it both ways. I asked provisions that weren't included that would have made the statement that if you take the money up front you should not get paid for the declining enrollment. That

provision is not in here. The implications to these communities that are having this kind of growth are significant.

**Chairman Delzer:** that did come down from the policy committee and it's not something the division added

**Representative Nelson:** It does have implications with the level of funding for other schools in the state ultimately. I'm questioning the need for this particular provision. I would like to divide this out of this particular amendment (that section).

**Chairman Delzer:** if the whole amendment is adopted, we'll give you an opportunity to further amend and take that out.

**Representative Skarphol:** when the senate received this bill, it had \$7.5M in the supplemental teacher payment program and they removed the program. They moved the money into foundation aid payments. If you aren't going to do the program, logically it didn't make sense for us to leave the money. We initially removed the \$7.5M and then when we worked through the other financial implications of this, we put \$5M back into pay for that rapid enrollment growth. The money in essence would not have been in the student financial aid line anyway with committee actions if it wouldn't have been put back in for that.

**Representative Nelson:** was it a consideration of the subcommittee to put the money back into supplemental payment and have that discussion with the Senate as to the merits of that program. That seems to me like a much more reasoned House position.

**Representative Skarphol:** No, it was not considered; simply because we did not think we should initiate a program that would potentially have a cost of \$37.6M without having better information to base that decision on.

**Representative Nelson:** But we did jump into this other one?

**Chairman Delzer:** This came down from policy with the \$5M.

**Representative Monson:** this program is helping those that when they start in the fall, their numbers are quite low and throughout the year, their numbers increased, but they aren't going to get an increased payment without this program. Years ago, we had the reverse of this happening. We were holding harmless students or schools that were losing population so they got their fall's enrollment or their last year's enrollment (whichever was greater). That was on the old formula. We used to pay for phantom students and this actually pays for real students, it just gets them caught up quicker.

**Representative Kaldor:** could you further explain the changes between amendment .07029 and .07032 in regards to the supplemental teacher effectiveness plan? You noted several sections that were removed. Could you explain the effect of the sections you removed?

**Representative Skarphol:** it was funded at \$4M in the 29 version. In the 32 version, it is not funded to be implemented and no intent to implement in this upcoming biennium. The

reason for the change is the references to the actions that would need to take place with the funding aspect of it and initiating of the program.

**Representative Delzer:** Of the \$1M, \$300,000 of that is for consultant, if it's needed to help school districts and the \$700,000 is to help the school districts pay for grants for school districts that want to come to the consultants and set up a plan.

**Representative Skarphol:** The \$300,000 is for a consultant to work with an entity to help them develop whatever plan they wish to initiate. I think supplemental pay and pay for performance are great ideas, but to do it in this environment is going to take a great deal of effort and to get the matrix put together to establish what it is you are trying to accomplish and how you're trying to make that determination, in my mind, is much more complicated than simply starting something and throwing money at it and getting it going and then hope you are going in the right direction. The changes we made is to stop the initial funding from going forward and to fund only the planning aspect of it.

**Representative Kroeber:** was there any discussion on school districts that have been working on such a plan for the last 2-3 years and what some of those recommendations were to the committee?

**Representative Skarphol:** No, we didn't have any input on that. It was a monetary decision we made as to whether or we wanted to initiate a program at this point in time in the timeframe that was extremely compressed to be able to evaluate.

**Representative Kroeber:** I know Jamestown has been meeting for the past 2 years working on trying to take and develop some guidelines that could be made. I thought that there might have been some of that presented to the committee, but apparently not.

**Representative Skarphol:** We did not make the policy decision on this. We think it's a great idea. We just don't think that we had, as appropriators, the information that we needed to move forward.

**Representative Dahl:** what else do we need to know, as you made the comment that we don't know enough? It seems to me that we have a framework in place, but I'm wondering what else we would need to know.

**Representative Skarphol:** We had a joint hearing, but the information we got during those hearings was ambiguous at best. We didn't have sufficient information to move forward with something that could potentially cost us \$40M.

**Chairman Delzer:** is there anything that you are aware from the joint hearing or hearings in your subsection that would restrict the district from going forward on their own if they wanted to with this?

**Representative Skarphol:** Not to my knowledge.

**Representative Monson:** The language about hiring the consultant was all in there before too. The consultant was \$300,000 and we left that in there. This consultant was to be hired by DPI and work with school districts, to get people from the districts trained on what is



going on and how they are doing this in other states. We also left \$700,000 of the \$4M so there's a total of \$1M that can be used to cover the expenses of schools that want to send a team of people to help them. DPI would then pay their substitute teachers (including travel expenses), so they can meet with this consultant and develop their plans, just like it would have been done in the original bill. We did not include the bonus money. The second year of the biennium, after these plans were made, we were going to be putting some money on top of the regular salaries to actually have a bonus, if you will. It is \$18M to continue that bonus plan for all school districts for per year for the next biennium. If this \$4M had gone out as bonuses, our impression was that we could be asked to kick in \$36M more for next biennium. We thought this was a lot of money that we are probably going to be asked to contribute and we are going to have about 6 months worth of trail for this program. Nobody would get paid until the second year of the biennium on this program, so it would be one year, from now, before they would get all of this negotiated and in place. They would start seeing people paid on this program the fall of 2012 and we come in January 2013 and we are suppose to make a decision on whether we want to kick in \$36M (if that would be their request). We just thought this isn't much time. It sunsets in 2013 in June. Why kick \$4M into a program that's going to sunset? During the next biennium, we would be discussing this and we would take the sunset out (if it looked like it was going to be a good thing), but it was only 6 months of data that we would have had. We would have been halfway through the school year. We thought by leaving all of the language in there including all the criteria (hiring the consultant, providing all the expenses to the school districts to send their teams to get everything ready to go), they can have their plans ready and if we want to fund it two years from now at whatever level, we can dangle the carrot out there then.

**Voice vote carries amendment .07032**

**Representative Nelson:** I would like to further amend SB 2150. I would move that we eliminate section 40 from the proposed bill.

**Representative Dahl:** Second

**Representative Nelson:** With the Senate action, you could make a case that we are at the recommended level of foundation payments, nearly to what the governor recommended. But these are some significant changes. In the original bill, the supplemental compensation was part of that bill. It was considered by the executive branch and by the policy committees and not changed significantly in this area. This particular proposal was put forward in exchange (dollar wise) for those dollars. We have made a very significant commitment to western ND this year in infrastructure. That same committee hasn't been made to other parts of the states in this area. Now we are picking another winner and creating another loser in the process with this area. I think we've made a strong commitment to oil producing areas of this state already in this legislative session and it's time that we stand up for the rest of the state. We have the same issues in our schools, as far as when the payments come. That has been changed. In the last 10 years, those payments have been speeded up and have been send out in a more rapid fashion than before and that growth is welcomed in many of the districts that are identified in these payments. We are jumping into this without enough of a good reason to do it.

**Representative Wieland:** this has a direct impact on the West Fargo school system. 2 years ago, I had a bill to try to get it changed. It didn't pass, but we lived with it and it did come out okay and we appreciate whatever the state had done for us. But we had an increase of 400 students that we did not get paid for in one year. We have a lot of people come in that have come in as a result of the immigration system. We have had at one time at least 27 languages of dialects that we had to have people come in and interpret for. We're still getting a strong increase in students that we aren't getting paid for because the formula doesn't call for it. I can't support this amendment.

**Chairman Delzer:** does this make any change to the issue where we have supported declining enrollment that's still within the system?

**Representative Skarphol:** this does not have any effect on that. Just so the committee understands, this isn't just a western ND issue – you've got Harvey, Rockford City, West Fargo, Valley City - a number of cities in non-oil country that are having the same issues. If you read the language, it's not a program to fix every school that has 1-3 students increasing. You have to have 25 FTEs in order to be eligible for this. That typically would mean you have to hire another teacher. I understand that there is consternation over this and I don't have an issue with this committee deciding whether or not they deem it to be appropriate, but if you read through the amendment, it says enrolled in a school district that has increased by at least 3% annually and that increase is equal to at least 25 full time students, you are going to get 30% of a per student-pupil payment. If the increase is at least 7% annually and that increase is equal to 25 students, you get 70% of a per pupil payment. If it's 13% that you've increased annually, you get a full payment, but it's for that one year. If the next year, you don't have a similar increase or an increase equivalent to 13%, you get nothing more. It's a onetime payment, unless you have continued growth.

**Chairman Delzer:** if the whole \$5M got used up the first year, there would be none available the second year?

**Representative Skarphol:** (referenced section 4 of section 40 of amendment .07032). If it all got used up the first year, it would be gone and no district may receive more than \$800,000.

**Representative Nelson:** with the exception of West Fargo, this is a western ND issue. You mentioned Harvey. 28 students is the increase. Hiring another teacher for an increase of 28 students, in a school district that has 400+ students, actually makes that school district more efficient from a standpoint of where they are today. That staff is adequate to handle another 28 students. I bet Harvey welcomes that growth more than not because they've lost that number over the last ten years plus. The school districts that are getting the bulk of that money are in oil country. I don't discount what's happened out there in the growth, but this is another area where we're making special provisions for one area of the state at the expense of the rest of the state.

**Voice vote fails** thus voice amendment to further amend .07032 by removing section 40, was not adopted.

**Representative Nelson:** I move that we implement the supplemental payment section as it came to us from the policy committee.

**Representative Skarphol:** we put back in the \$4.4M to do the supplemental pay package as proposed by the policy committee.

**Representative Nelson:** Yes, that's correct.

**Representative Kroeber:** Second

**Representative Nelson:** I think this is a policy decision that has merit. There have been a number of those that have lobbied for a merit type pay system for years and now we have the ability to implement one that has the support of the education community which has never been true in the past, to my knowledge. Here's a situation where we have support from the executive branch, teachers and communities. This particular provision will affect 22,000 students there the last issue was 1200 kids across the state. This deserves to go forward. It does have a sunset provision. We can look at the results based on implementation rather than guessing with the next session.

**Chairman Delzer:** further discussion to amend to revert back to what came in amendment .07029

**Representative Glassheim:** What concerned the subcommittee that it's not \$4M, but rather some unlimited amount. Where is the pay that says that it's going to continue or not continue? Could you point me to something that explains how that will continue going forward as far as where those numbers come from and whether they're actually required by the plan or they just might be required by the plan.

**Representative Skarphol:** they are projections of costs if the plan were implemented on an overall basis. They are projections that we received as to the potential cost of the program, presented to us by DPI.

**Representative Glassheim:** if everyone in the state did it? Why couldn't one limit the cost to \$4M?

**Representative Skarphol:** If you want to limit the cost, let's say they have to do within the money they have available. We could do that. The \$4.4M is intended to be a pilot to get schools to try it to see if it works. When asked, we were told the potential cost was \$18.8M per year. We've had anecdotal costs much higher than that.

**Representative Glassheim:** this is supposed to be a pilot to test out a new approach that has been hard fought conceptually for many years and I don't know why future costs wouldn't be up to future legislators to determine how much they want to put into it. We aren't going to know much about how this approach will work unless we really encourage it to be tried. Why are we committing ourselves if future legislators might or might not want to go ahead further with it?

**Representative Skarphol:** You've known that NDEA has opposed this particular concept for years. Why the sudden change of heart, unless there was anticipation of more money?

**Representative Kaldor:** The \$4M is intertwined with the DPI budget, so is the \$4M that would have gone towards this included in DPI budget as part of the foundation aid payments or is that \$4M basically eliminated from the table?

**Representative Skarphol:** the net effect of the changes that we did was a minus \$47,000. We didn't take any money out. It merely got repositioned to change the emphasis that our proposal has.

**Representative Kaldor:** But when the total dollars aren't changing, then we are changing policy. If we were cutting \$4M, then we wouldn't be necessarily changing policy; we would be changing the appropriations or the amount of money that's being expended. The policy committee has determined that this is the way to go and that in the future, whatever is appropriated for foundation aid is going to be allocated in such a way that those teachers who meet the performance standards that are established through this program are going to get compensated more and some professionals may not actually get as much or stay the same. It could be an expectation that everything is going to grow, but in a sense, that is up to the legislature. If we see that this teacher pay for performance is actually workable model that would be under our control in terms of appropriating for education. I don't know which side I'm on because I haven't had the time during this session to study this as thoroughly as I would like. It does raise a question that we are rejecting what the policy committee is saying that we're ready for. That concerns me and I suspect that is what concerns Representative Nelson.

**Representative Skarphol:** if we were to have funded 2150 as it came to us, there would have been changes as well. It would have required us to take the full \$5M in transportation payments to pay for the rapid enrollment program. Yes, we did re-arrange the money. The money is still there. The per pupil payments are virtually equivalent to what the governor's recommendation was. Our division felt that we didn't want to make that kind of commitment to that potential \$38M obligation. We also believe that it's more important to have better information to make that commitment than what we have available. There are going to be a multitude of different plans that are probably going to come forward if this is done and those plans need to have commonality in order to succeed. But they will be varied, just like we'd like to think we live in a federalist nation where every state does things a little differently, adjust for their scenarios. There has to be some commonality, if we are going to use assessments as a portion of gauging the success or the performance of a teacher. We need to have better information on whether or not that's credible. That's the kind of information that we want to see come forward (what kind of waiting factors are schools going to place on the various aspects of the criteria they have, what's the matrix going to look like, what should it look like). I don't believe it's good practice on our part to merely jump in and hope for the best.

**Voice vote fails** that would put the \$4.4M back into the supplemental pay package, thus amendment not adopted.

**Representative Skarphol:** I move a Do Pass for SB 2150 as Amended

**Representative Monson:** Second

Roll call vote taken on a **Do Pass on SB 2150 as Amended**, resulting in 14 yes, 5 no, 2 absent, thus motion carries. **Representative Skarphol** is assigned as the carrier of the bill.

**Chairman Delzer:** there will be considerable debate on the floor about the bill so I would understand if you decide to change your vote. He closed hearing on SB 2150.

# 2011 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Education and Environment Division  
Sakakawea Room, State Capitol

SB 2150  
4/11/11  
16485

Conference Committee

Committee Clerk Signature

*Shirley Branning*

## Explanation or reason for introduction of bill/resolution:

Relating to the school calendar, technology, regional education associations, curriculum requirements, assessments, scholarships, student consultations, state aid, school construction funding, early childhood education, care, and services, and taxable valuations; to repeal section 6 of this Act and sections 15.1-18.2-01, 15.1-18.2-02, 15.1-18.2-03, and 15.1-27-15 of the North Dakota Century Code, relating to professional development and isolated schools; to provide for compensation increases, transition payments, contingent payments, and the distribution of transportation grants, supplemented teacher-effectiveness compensation grants, and rapid enrollment growth grants; to provide for legislative management studies; and to provide an effective date.

## Minutes:

You may make reference to "attached testimony."

**Chairman Skarphol:** The results on the floor were not revealing.

**Rep. Martinson:** There was confusion on the vote, the intent was not to kill the amendments and it was only a one vote difference.

**Rep. Dosch: Second**

**Rep. Martinson:** Did anyone disagree with my assessment?

**Chairman Skarphol:** I did not have much of a chance to talk to anyone.

**Rep. Monson:** I heard people saying that there is so much stuff in the bill that...they don't like anything. There were some that didn't think we went far enough and some that thought we went too far. There are a couple of little things we could do and one would be to fund Alternative Middle School. We know that Title I money is going to shrink, and probably already has and this is a way to shore up Title I.

## Pause to 4:40

**Chairman Skarphol:** The Growing Schools initiative, putting it into the Supplemental Teacher Pay along with the \$1M that is in there and authorize whatever number of schools to move forward with the \$2M appropriation and move forward with a plan. No net change in dollars.

**Rep. Martinson:** Anyone think we should put the Teacher of the Year thing back in?

**Rep. Monson:** If we were to do the \$5M for Rapidly Growing Schools, maybe \$4.4M would do it, so we could take \$400,000 out of that for the Alternative Middle School and then take the Rapidly Growing Schools from \$5M down to \$4.4M. Then \$400,000 for the Alternative Middle School and we knock \$200,000 out of the budget. Or put that \$200,000 back into the Foundation Aid line.

**Rep. Martinson:** Why do we assume that they voted against it because it was too much money? Maybe we should assume it wasn't enough money.

**Rep. Monson:** Some voted against it because they thought it was too much money.

**Chairman Skarphol:** Reviewing the discussion. Rep. Monson suggested we put some amount of money back into the Alternative Middle School. Talked about that some people voted against it because it was too much money, some that it was too little money. A compromise may be to move \$1M from the rapid growth initiative and move it into the supplemental teacher pay area and allow a smaller number of schools to move forward with that.

**Rep. Hawken:** My superintendent would like to see the supplemental pay but would prefer per student payments.

**Rep. Monson:** SB 2150 and SB 2013 are so tied together. We didn't really change any language to speak of in SB 2150. We just reduced the amount of money from \$4M to \$1M.

**Sheila Sandness, Legislative Council Representative:** No money in SB 2150, it is all in SB 2013.

**Chairman Skarphol:** As far as policy, when we move from funding at \$4M to not funding at \$1M, did we take any language out?

**Sandness:** You redid the alternative teacher compensation system. Instead of making it a system where the schools get extra money for this bonus pay, we set it up as a grant type program where they would get money to develop the compensation plans and get those back in there for the committee to review. There is no bonus pay in there, that \$4M was anticipated to be additional pay that would go to school districts that participated. It was based on a per student factor for students that were in schools that were participating.

**Chairman Skarphol:** For us to debate this and to bring this to full committee may not be worthwhile. The Majority Leader wants us to have amendments drafted so that we can take action on it again. I suggest that the right action of this committee is to have amendments drafted to move the \$1M.

**Sandness:** There is no money in SB 2150; moving the money would be in SB 2013.

**Chairman Skarphol:** If we want to put \$1M in we can, this would be a follow-up amendment that would include that change, the same as SB 2150 as it's original .....

A Second amendment from the rapid growth to the Alternative Teacher pay or Supplemental teacher pay.

A third amendment could have both of those or have a fourth or we could take it to full committee.

**Rep. Martinson:** I am opposed to put money into a policy bill.

**Rep. Hawken:** Could we amend 2013, through SB 2150. Give a grant to it or.....

**Chairman Skarphol:** Rep. Martinson said he would vote against that idea.

**Rep. Hawken:** We could have an amendment drawn up to SB 2113 (SB 2013) as well, for the money piece.

**Rep. Martinson:** I don't believe there is a chance that you are going to get money into a policy bill from full appropriations.

**Rep. Monson:** If we were to make the policy changes we want to, as far as going back to the language for supplemental teacher pay or for the alternative middle school with no money just language. In conference committee in SB 2013 we could reconcile those dollar amounts.

**Sandness:** Yes, you could reconcile in conference committee as far as dollar amounts. You could change the language back to whatever you'd like but the dollars in SB 2013 would have to be in the correct line item to follow.

**Rep. Monson:** SB 2013 should have followed SB 2150 on the floor. We should have leadership make a motion to reverse them. I think we have SB 2150 here and if we are going to make something different then we make it and we don't worry about what the money is and take care of SB 2013 in Conference Committee, if we can.

**Rep. Hawken:** Does anyone think the transportation was the other piece of the NO vote?

**Chairman Skarphol:** I don't think that was part of the issue at all.

**Rep. Martinson:** I will withdraw my motion and make a motion to take it to full committee as is.

**Rep. Dosch: Second**

**Chairman Skarphol:** We could also that they draft the amendments to make changes and full committee can have that discussion.

**Sandness:** You want SB 2150 amended to put the supplemental teacher effectiveness compensation plan back to the way it was.

**Chairman Skarphol:** With the legislative intent or however you have to do it. The intent is that there would be another \$1M added.



**Sandness:** The funding the \$4M for that additional pay was not identified and we were not sure where it was going to come from. The \$700,000 was for grants to develop the plans. So you want that \$700,000 plus another \$1M instead of being grants to develop the plans you want that to go out in bonus pay. It is in SB 2013 in the other grants line right now. We would leave it there for now and just add \$1M to it. It is a matter of changing the language in SB 2150. The Statement of Purpose would change but not the dollar amount.

**Chairman Skarphol:** We would have SB 2013 back on the floor to act on?

**Rep. Monson:** No.

**Sandness:** The money is in there but the Statement of Purpose does not identify \$1M in bonus pay. It identifies \$700,000 as grants for the teacher compensation plan. You would need to change that in conference committee.

**Rep. Martinson:** When we get done with conference committee on SB 2150, it might be, who knows what. We have to finish SB 2150 in a conference before we can do SB 2013.

**Rep. Monson:** What did we take out of SB 2150? We took out the factor and we don't need it to make this work.

**Sandness:** Alternative Middle School...you took out the factor but that didn't affect the current biennium funding because that wasn't going to be affective until the next biennium. The \$400,000 is in SB 2013.

**Rep. Monson:** There is no language in SB 2150.

**Sandness:** No, no language regarding the Middle School. The funding in the current biennium just to implement it early was in SB 2013 with dollars attached to it.

**Rep. Martinson:** Why the Devil did those amendments get killed on the floor? We can't do anything about 'em here anyway. We should take it back just the way we passed it out.

**Chairman Skarphol:** We are going to have it drafted both ways and have the discussion in full committee to make the decision.

**Sandness:** You want amendments drafted to SB 2150 to put the teacher compensation plan back in the way it was. That is the only change at the moment. There is language that talks about the \$700,000 grants, which would have to be removed. That is to develop the plan not to be used as bonus compensation.

**Roll Call Vote: 6-0-0 Motion Carried.**

**Chairman Skarphol:** Full Committee tomorrow after floor session. **Meeting closed.**

# 2011 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Committee  
Roughrider Room, State Capitol

SB 2150  
4/12/11  
16496

Conference Committee

Committee Clerk Signature

*Meredith Tracholt*

## Explanation or reason for introduction of bill/resolution:

A BILL for an Act relating to regional education associations, the professional development advisory committee, North Dakota scholarships, and supplemental teacher-effectiveness compensation; relating to the school calendar, technology, regional education associations, curriculum requirements, assessments, scholarships, student consultations, state aid, school construction funding, early childhood education, care, and services, and taxable valuations; to provide for compensation increases, transition payments, contingent payments, and the distribution of transportation grants, supplemented teacher-effectiveness compensation grants, alternative middle school grants, and rapid enrollment growth grants; to provide for legislative management studies; and to provide an effective date.

## Minutes:

You may make reference to "attached testimony."

**Chairman Delzer:** Called the committee to order. Roll was called and a quorum was declared. We'll start with 2150, which came back to us from the floor yesterday. This came back to us as it was the first time, with the policy amendment on it.

**Representative Monson:** I move we amend 2150 with .07035. The actual amendment has been handed around, and it is that thick because it's a hoghouse. The changes are in the smaller handout, see attachment 1.

**Representative Skarphol:** Second.

**Representative Monson:** This changes what we had in .07032 to include alternative middle schools. It's the version we had on the floor yesterday, but adds alternative middle school in section 42. It allows up to \$300,000 to be spent. That's the only change.

**Chairman Delzer:** Discussion.

**Representative Bellew:** The merit pay thing is in here?

**Representative Monson:** The supplemental pay is the same as it was on the floor. It is \$300,000 for the consultant and \$700,000 to cover expenses for any schools that would like to send a team of people to work on a plan. There is no money other than that in here.

**Representative Nelson:** This is an improvement, but I think the section is mistaken if they think this is where the opposition lay yesterday. I think we're making a mistake by not doing more than this. I'll support this amendment, but this doesn't go nearly far enough.

**Representative Skarphol:** What you have in this amendment is \$300,000, there's no cost to continue, no provisions for moving forward, correct?

**Representative Monson:** That is correct, it is just a grant that can be given out. There's no factor in here that would go into cost to continue.

**Representative Hawken:** This is something I think is really worth trying. If in fact we are looking at what makes a difference with students, this is the kind of program that makes that difference. We know that at the high school level, and if we can catch the most needy at the junior high level, they could end up being effective students, not drop out, and it could possibly save the state money. I would hope we'd support this amendment.

**Chairman Delzer:** Further discussion on the motion to amend? Seeing none, we'll do a voice vote. Motion carries. Further discussion?

**Representative Skarphol:** I move Do Pass as Amended on SB 2150.

**Representative Dosch:** Second.

**Chairman Delzer:** We have a motion and a second. Discussion.

**Representative Hawken:** We had some discussion in our subsection yesterday about adding an additional million to the supplemental pay. I think that would be worthy of some discussion in the full committee, to see if that is a direction we would like to consider. It is the feeling of a number of the superintendents that the \$300,000 and the \$700,000 really won't do much at all to move in that direction. If we're serious about wanting to move toward merit pay, we might want to look a little more seriously at putting at least enough money in there to try it.

**Chairman Delzer:** Further discussion? Seeing none, we'll call the roll for a Do Pass as Amended on 2150. Motion carries 15-6-0. Representative Skarphol will carry it again.



PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2150

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 15.1-09.1, four new sections to chapter 15.1-18.2, three new sections to chapter 15.1-21, and ten new sections to chapter 15.1-27 of the North Dakota Century Code, relating to regional education associations, the professional development advisory committee, North Dakota scholarships, and supplemental teacher-effectiveness compensation; to amend and reenact sections 15.1-06-04, 15.1-07-33, 15.1-09-58, 15.1-09.1-02, 15.1-21-02.1, 15.1-21-02.4, 15.1-21-02.5, 15.1-21-02.6, 15.1-21-08, 15.1-21-18, 15.1-21-19, 15.1-22-01, 15.1-27-03.1, 15.1-27-04, 15.1-27-07.2, 15.1-27-11, 15.1-27-35.3, 15.1-36-02, and 15.1-37-01, subsection 1 of section 15.1-37-02, and sections 15.1-37-03 and 57-15-14 of the North Dakota Century Code, relating to the school calendar, technology, regional education associations, curriculum requirements, assessments, scholarships, student consultations, state aid, school construction funding, early childhood education, care, and services, and taxable valuations; to repeal Section 6 of this Act and sections 15.1-18.2-01, 15.1-18.2-02, 15.1-18.2-03, and 15.1-27-15 of the North Dakota Century Code, relating to professional development and isolated schools; to provide a continuing appropriation; to provide for compensation increases, transition payments, contingent payments, carryover authority, and the distribution of transportation grants and rapid enrollment growth grants; to provide for legislative management studies; to provide an effective date; and to provide an expiration date.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. AMENDMENT.** Section 15.1-06-04 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-06-04. School calendar - Length.**

1. During the 2009-10 school year, a school district shall provide for a school calendar of at least one hundred eighty days.
  - a. One hundred seventy-three days must be used for instruction;
  - b. Three days must be used for holidays, as selected by the school board in consultation with district teachers from the list provided for in subdivisions b through j of subsection 1 of section 15.1-06-02;
  - c. Up to two days must be used for:
    - (1) Parent-teacher conferences; or
    - (2) Compensatory time for parent-teacher conferences held outside regular school hours; and
  - d. Two days must be used for professional development.
2. ~~During~~Beginning with the 2010-11 school year, a school district shall provide for a school calendar of at least one hundred eighty-one days.

- a. One hundred seventy-four days must be used for instruction;
  - b. Three days must be used for holidays, as selected by the board in consultation with district teachers from the list provided for in subdivisions b through j of subsection 1 of section 15.1-06-02;
  - c. Up to two days must be used for:
    - (1) Parent-teacher conferences; or
    - (2) Compensatory time for parent-teacher conferences held outside of regular school hours; and
  - d. Two days must be used for professional development.
3. Beginning with the ~~2011-12~~2012-13 school year, a school district shall provide for a school calendar of at least one hundred eighty-two days.
- a. One hundred seventy-five days must be used for instruction;
  - b. Three days must be used for holidays, as selected by the board in consultation with district teachers from the list provided for in subdivisions b through j of subsection 1 of section 15.1-06-02;
  - c. Up to two days must be used for:
    - (1) Parent-teacher conferences; or
    - (2) Compensatory time for parent-teacher conferences held outside of regular school hours; and
  - d. Two days must be used for professional development.
4. A day for professional development must consist of:
- a. Six hours of professional development, exclusive of meals and other breaks, conducted within a single day; or
  - b. Two four-hour periods of professional development, exclusive of meals and other breaks, conducted over two days.
5. If a school district offers a four-hour period of professional development, as permitted in subdivision b of subsection 4, the school district may schedule instruction during other available hours on that same day and be credited with providing one-half day of instruction to students. This subsection does not apply unless the one-half day of instruction equals at least one-half of the time required for a full day of instruction, as defined in this section.
- 6.
- a. In meeting the requirements for two days of professional development under this section, a school district may require that its teachers attend the North Dakota education association instructional conference and may pay teachers for attending the conference, provided their attendance is verified.
  - b. In meeting the requirements for two days of professional development under this section, a school district may consider attendance at the North Dakota education association instructional conference to be optional, elect not to pay teachers for attending the instructional

conference, and instead direct any resulting savings toward providing alternate professional development opportunities.

- c. A school district may not require the attendance of teachers in school or at any school-sponsored, school-directed, school-sanctioned, or school-related activities and may not schedule classroom instruction time nor alternate professional development activities on any day that conflicts with the North Dakota education association instructional conference.
7. Beginning with the 2010-11 school year, if a school district elects to provide an optional third day of professional development, the school district shall do so by:
- a. Meeting the requirements for a day of professional development as set forth in subsection 4; or
  - b. Shortening four instructional days, for the purpose of providing for two-hour periods of professional development, provided:
    - (1) Each instructional day on which such professional development occurs includes at least four hours of instruction for kindergarten and elementary students and four and one-half hours for high school students;
    - (2) The instructional time for each course normally scheduled on that day is reduced proportionately or the daily schedule is reconfigured to ensure that the same course is not subject to early dismissal more than one time per school calendar, as a result of this subdivision; and
    - (3) All teachers having a class dismissed as a result of this subdivision are required to be in attendance and participate in the professional development.
8. a. If a school's calendar provides for an extension of each schoolday beyond the statutorily required minimum number of hours, and if the extensions when aggregated over an entire school year amount to more than eighty-four hours of additional classroom instruction during the school year, the school is exempt from having to make up six hours of instruction time lost as a result of weather-related closure. In order to make up lost classroom instruction time beyond the six hours, the school must extend its normal school calendar day by at least thirty minutes.
- b. A school that does not qualify under the provisions of this subsection must extend its normal schoolday by at least thirty minutes to make up classroom instruction time lost as a result of weather-related closure.
  - c. If because of weather a school must dismiss before completing a full day of instruction, the school is responsible for making up only those hours and portions of an hour between the time of early dismissal and the conclusion of a full day of classroom instruction.
9. For purposes of this section, a full day of instruction consists of:

- a. At least five and one-half hours for kindergarten and elementary students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction; and
- b. At least six hours for high school students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction.

**SECTION 2. AMENDMENT.** Section 15.1-07-33 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-07-33. Student information system - Statewide coordination - Financial support - Exemption.**

1. Notwithstanding any other technology requirements imposed by the superintendent of public instruction, the information technology department, or the North Dakota educational technology council, each school district shall acquire PowerSchool through the information technology department and use it as its principal student information system.
2. The superintendent of public instruction shall forward that portion of a school district's state aid which is payable by the superintendent under subdivision n of subsection 1 of section 15.1-27-03.1 directly to the information technology department to reimburse the department for the cost of the school district's acquisition, implementation, or utilization of PowerSchool and any related technology support services. The superintendent shall forward the amount payable under this subsection at the same time and in the same manner as provided for other state aid payments under section 15.1-27-01.
3. If the portion of a school district's state aid forwarded to the information technology department under subsection 2 exceeds the cost incurred by the information technology department in providing for the school district's acquisition, implementation, or utilization of PowerSchool and any related technology support services, the information technology department shall return the excess moneys to the superintendent of public instruction for redistribution to the school district as per student payments.
4. The superintendent of public instruction may exempt a school district from having to acquire and utilize PowerSchool if the school district demonstrates that, in accordance with requirements of the bureau of Indian education, the district has acquired and is utilizing a student information system that is determined to be comparable by the superintendent.

**SECTION 3. AMENDMENT.** Section 15.1-09-58 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-09-58. Prekindergarten program~~Early childhood education~~ - Authorization - Support.**

The board of a school district may establish ~~a prekindergarten~~ an early childhood program and may ~~receive and expend any state moneys specifically appropriated for the program, any federal funds~~ support that program with:



1. Local tax revenues, other than those necessary to support the district's kindergarten program and the district's provision of elementary and high school educational services;
2. Federal moneys specifically appropriated or approved for the program; ~~and any gifts~~
3. Gifts, grants, and donations specifically given for the program.

**SECTION 4. AMENDMENT.** Section 15.1-09.1-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-09.1-02. Regional education association - Joint powers agreement - Review by superintendent of public instruction - Criteria.**

~~Before~~In order for a group of school districts ~~may~~to be designated as a regional education association, the superintendent of public instruction shall review the joint powers agreement that the districts have entered and verify that: the requirements of this section have been met.

1. The school districts must:
  - a. Have a combined total land mass of at least five thousand eight hundred square miles [1502193 hectares];
  - b. (1) Have a combined total land mass of at least four thousand five hundred square miles [1165494 hectares]; and  
(2) Number at least twelve;
  - c. (1) Have a combined total land mass of at least four thousand square miles [1035995 hectares]; and  
(2) Have at least three thousand students in average daily membership; or
  - d. (1) Have a combined total land mass of at least one thousand five hundred square miles [388498 hectares]; and  
(2) Have at least seven thousand five hundred students in average daily membership.
2. The school districts ~~are~~must be contiguous to each other or, if the districts are not contiguous to each other, the superintendent of public instruction shall verify that the participating districts can provide sound educational opportunities to their students in a fiscally responsible manner without injuring other school districts or regional education associations and without negatively impacting the ability of other school districts or regional education associations to provide sound educational opportunities to their students in a fiscally responsible manner. A decision by the superintendent of public instruction under this subsection may be appealed to the state board of public school education. A decision by the state board is final.
3. The joint powers agreement ~~requires~~must require that the participating school districts maintain a joint operating fund ~~and share various administrative functions and student services in accordance with subsection 4.~~

4. a. ~~During the first two school years in which a regional education association is operational, each participating school district shall share in at least two administrative functions and two student services, selected by the district.~~
- b. ~~During the third and fourth school years in which a regional education association is operational, each participating school district shall share in at least three administrative functions and three student services, selected by the district.~~
- c. ~~During the fifth school year in which a regional education association is operational, and each year thereafter, each participating school district shall share at least five administrative functions and five student services, selected by the district.~~
- d. For purposes of this subsection:
  - (1) "Administrative functions" means:
    - (a) Business management;
    - (b) Career and technical education services management;
    - (c) Curriculum mapping or development;
    - (d) Data analysis;
    - (e) Federal program support;
    - (f) Federal title program management;
    - (g) Grant writing;
    - (h) School improvement;
    - (i) School safety and environment management;
    - (j) Special education services management;
    - (k) Staff development;
    - (l) Staff retention and recruitment;
    - (m) Staff sharing;
    - (n) Technology support; and
    - (o) Any other functions approved by the superintendent of public instruction.
  - (2) "Student services" means:
    - (a) Advanced placement classes;
    - (b) Alternative high schools or alternative high school programs;
    - (c) Career and technical education classes;
    - (d) Counseling services;
    - (e) Common elementary curricula;

- (f) ~~Distance learning classes;~~
- (g) ~~Dual credit classes;~~
- (h) ~~Foreign language classes;~~
- (i) ~~Library and media services;~~
- (j) ~~Summer programs;~~
- (k) ~~Supplemental instruction programs; and~~
- (l) ~~Any other services approved by the superintendent of public instruction.~~

e. ~~For purposes of this subsection, if a regional education association became operational before July 1, 2005, the 2005-06 school year must be considered the provider's first year of operation.~~

~~6.~~ The joint powers agreement ~~provides~~must provide:

- a. Criteria for the future participation of school districts that were not parties to the original joint powers agreement;
- b. An application process by which school districts that were not parties to the original joint powers agreement can become participating districts; and
- c. A process by which school districts that were not parties to the original joint powers agreement and whose application to participate in the agreement was denied can appeal the decision to the superintendent of public instruction.

~~6.5.~~ The joint powers agreement ~~provides~~must provide for the employment and compensation of staff.

~~7.6.~~ The joint powers agreement must:

- a. ~~Establishes~~Establish the number of members on the governing board;
- b. ~~Establishes~~Establish the manner in which members of the governing board are determined;
- c. ~~Requires all members~~Require that each member of the governing board ~~or their designees to be individuals~~be an individual currently serving on the board of a participating school district ~~or the designee of a participating school district's board~~; and
- d. ~~Allows~~Allow for the inclusion of ex officio nonvoting members on the governing board.

~~8.7.~~ The joint powers agreement ~~provides~~must provide that the board of the regional education association shall meet at least quarterly.

~~9.8.~~ The joint powers agreement ~~does~~may not permit the regional education association to compensate members of the regional education association board for attending meetings of the board and does not permit the regional education association to reimburse members of the board for any expenses incurred in attending meetings of the board.

**SECTION 5.** A new section to chapter 15.1-09.1 of the North Dakota Century Code is created and enacted as follows:

**Regional education association - Services to be offered.**

1. In order to be eligible for state funding, a regional education association must offer the following services to its member districts:
  - a. Coordination and facilitation of professional development activities for teachers and administrators employed by its member districts;
  - b. Supplementation of technology support services;
  - c. Assistance with achieving school improvement goals identified by the superintendent of public instruction;
  - d. Assistance with the collection, analysis, and interpretation of student achievement data; and
  - e. Assistance with the expansion and enrichment of curricular offerings.
2. Subsection 1 does not preclude a regional education association from offering additional services to its member districts.

**SECTION 6.** A new section to chapter 15.1-18.2 of the North Dakota Century Code is created and enacted as follows:

**Professional development advisory committee - Reimbursement of members.**

Each member of the professional development advisory committee is entitled to receive reimbursement for expenses as provided by law for state officers if the member is attending committee meetings, except that no member may receive reimbursement under this section for more than three committee meetings during each year of the biennium.

**SECTION 7.** A new section to chapter 15.1-18.2 of the North Dakota Century Code is created and enacted as follows:

**Teacher support program - Establishment.**

The education standards and practices board shall:

1. Establish and administer a teacher support program;
2. Employ an individual to serve as a teacher support program coordinator;
3.
  - a. Select and train experienced teachers who will serve as mentors for first-year teachers and assist the first-year teachers with instructional skills development; or
  - b. If a school district or other employing entity listed in section 9 of this Act is not in need of mentors for its first-year teachers, select and train experienced teachers who will work with school district administrators and administrators from the other employing entities to identify the needs of the non-first-year teachers and help the non-first-year teachers address their particular needs through the use of:

(1) Research-validated interventions; and

(2) Proven instructional methods.

**SECTION 8.** A new section to chapter 15.1-18.2 of the North Dakota Century Code is created and enacted as follows:

**Teacher support program - Availability of services.**

The education standards and practices board may use any moneys it receives for the teacher support program to provide staff compensation, training, evaluation, and stipends for mentors and experienced teachers who assist first-year and non-first-year teachers participating in the program, and to pay for any other administrative expenses resulting from the program; provided, however, that the board may not expend more than five percent of the moneys for administrative purposes.

**SECTION 9.** A new section to chapter 15.1-18.2 of the North Dakota Century Code is created and enacted as follows:

**Teacher support program - Authorized service recipients.**

The education standards and practices board may provide support services to teachers employed by:

1. School districts;
2. Special education units;
3. Area career and technology centers;
4. Regional education associations; and
5. Schools funded by the bureau of Indian education.

**SECTION 10. AMENDMENT.** Section 15.1-21-02.1 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.1. High school graduation—Diplomadiploma - Minimum requirements.**

Except as provided in section 15.1-21-02.3, before a school district, a nonpublic high school, or the center for distance education issues a high school diploma to a student, the student must have successfully completed the following ~~twenty-two~~ units of high school coursework:

1. ~~Four units of English language arts from a sequence that includes literature, composition, and speech;~~
2. ~~Three units of mathematics;~~
3. ~~Three units of science, including:~~
  - a. ~~One unit of physical science;~~
  - b. ~~One unit of biology; and~~
  - e. ~~(4) One unit of any other science; or~~

- (2) ~~Two one-half units of any other science;~~
- 4. ~~Three units of social studies, including:~~
  - a. ~~One unit of United States history;~~
  - b. ~~(1) One-half unit of United States government and one-half unit of economics; or~~
  - ~~(2) One unit of problems of democracy; and~~
  - e. ~~One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;~~
- 5. a. ~~One unit of physical education; or~~
  - b. ~~One-half unit of physical education and one-half unit of health;~~
- 6. ~~Three units of:~~
  - a. ~~Foreign languages;~~
  - b. ~~Native American languages;~~
  - e. ~~Fine arts; or~~
  - d. ~~Career and technical education courses; and~~
- 7. ~~Any five additional units:~~
  - 1. The twenty-two units of high school coursework set forth in section 11 of this Act; and
  - 2. Any additional units of high school coursework required by the issuing entity.

**SECTION 11.** A new section to chapter 15.1-21 of the North Dakota Century Code is created and enacted as follows:

**High school graduation - Minimum requirements.**

Except as provided in section 15.1-21-02.3, the following twenty-two units of high school coursework constitute the minimum requirement for high school graduation:

- 1. Four units of English language arts from a sequence that includes literature, composition, and speech;
- 2. Three units of mathematics;
- 3. Three units of science, including:
  - a. One unit of physical science;
  - b. One unit of biology; and
  - c. (1) One unit of any other science; or

- (2) Two one-half units of any other science;
- 4. Three units of social studies, including:
  - a. One unit of United States history;
  - b. (1) One-half unit of United States government and one-half unit of economics; or  
(2) One unit of problems of democracy; and
  - c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;
- 5. a. One unit of physical education; or  
b. One-half unit of physical education and one-half unit of health;
- 6. Three units of:
  - a. Foreign languages;
  - b. Native American languages;
  - c. Fine arts; or
  - d. Career and technical education courses; and
- 7. Any five additional units.

**SECTION 12. AMENDMENT.** Section 15.1-21-02.4 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.4. North Dakota career and technical education scholarship.**

Any resident student who graduates from a high school during or after the 2010-11 school year is eligible to receive a North Dakota career and technical education scholarship provided the student ~~completes all requirements set forth in subsections 1 through 5 and subsection 7 of section 15.1-21-02.1 for a high school diploma and:~~

- 1. Completed four units of English language arts from a sequence that includes literature, composition, and speech;
- 2. Completed three units of mathematics, including:
  - a. ~~Completes one~~One unit of algebra II, as defined by the superintendent of public instruction, ~~in fulfillment of the mathematics requirement set forth in subsection 2 of section 15.1-21-02.1; and~~
  - b. ~~Completes two~~Two units of any other mathematics;
- 3. Completed three units of science, including:
  - a. One unit of physical science;
  - b. One unit of biology; and

- c. (1) One unit of any other science; or  
 (2) Two one-half units of any other science;
- 4. Completed three units of social studies, including:
  - a. One unit of United States history;
  - b. (1) One-half unit of United States government and one-half unit of economics; or  
 (2) One unit of problems of democracy; and
  - c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;
- 5. a. Completed one unit of physical education; or  
 b. One-half unit of physical education and one-half unit of health;
- 6. Completed:
  - a. One unit selected from:
    - (1) Foreign languages;
    - (2) Native American languages;
    - (3) American sign language;
    - (4) Fine arts; or
    - (5) Career and technical education courses; and
  - b. Two units of a coordinated plan of study recommended by the department of career and technical education and approved by the superintendent of public instruction; and
- ~~e.7.~~ Completed any five additional units, two of which must be in the area of career and technical education;
- ~~2.~~ Obtains a grade of at least "C" in each unit or one-half unit required for the diploma;
- ~~3-8.~~ a. (1) ~~Obtains~~Obtained a cumulative grade point average of at least "B"3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based on all high school units in which the student was enrolled; and  
 (2) Obtained a grade of at least "C" in each unit or one-half unit; or
- b. (1) Obtained a cumulative grade point average of at least 3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based only on the units required by subsections 1 through 7 of this section; and  
 (2) Obtained a grade of at least "C" in each unit or one-half unit; and



4.9. ~~Receives~~Received:

- a. A composite score of at least twenty-four on an ACT; or
- b. A score of at least five on each of three WorkKeys assessments recommended by the department of career and technical education and approved by the superintendent of public instruction.

**SECTION 13. AMENDMENT.** Section 15.1-21-02.5 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.5. North Dakota academic scholarship.**

Any resident student who graduates from a high school during or after the 2010-11 school year is eligible to receive a North Dakota academic scholarship provided the student ~~completes all requirements set forth in subsections 1 through 5 and subsection 7 of section 15.1-21-02.1 for a high school diploma and:~~

1. Completed four units of English language arts from a sequence that includes literature, composition, and speech;
2. Completed three units of mathematics, including:
  - a. ~~Completes one~~One unit of algebra II, as defined by the superintendent of public instruction, ~~in fulfillment of the mathematics requirement set forth in subsection 2 of section 15.1-21-02.1; and~~
  - b. ~~Completes one additional~~One unit of mathematics for which algebra II, as defined by the superintendent of public instruction, is a prerequisite; ~~and~~
- e-3. ~~Completes~~Completed three units of science, including:
  - a. One unit of physical science;
  - b. One unit of biology; and
  - c. (1) One unit of any other science; or  
(2) Two one-half units of any other science;
4. Completed three units of social studies, including:
  - a. One unit of United States history;
  - b. (1) One-half unit of United States government and one-half unit of economics; or  
(2) One unit of problems of democracy; and
  - c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;
5. a. Completed one unit of physical education; or  
b. One-half unit of physical education and one-half unit of health;
6. a. Completed;

- (1) Two units of the same foreign or native American language;
  - (2) ~~One unit of fine arts or career and technical education~~American sign language; and
- (3)~~b.~~ One unit of a foreign or native selected from:
- (1) Foreign languages;
  - (2) Native American language, fine languages;
  - (3) American sign language;
  - (4) Fine arts, or career, or
  - (5) Career and technical education;
2. ~~Obtains a grade of at least "C" in each unit or one-half unit required for the diploma;~~
- 3-7. ~~Obtains~~Completed any five additional units, one of which must be in the area of fine arts or career and technical education;
8. a. (1) Obtained a cumulative grade point average of at least "B"3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based on all high school units in which the student was enrolled; and
- (2) Obtained a grade of at least "C" in each unit or one-half unit; or
- b. (1) Obtained a cumulative grade point average of at least 3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based only on the units required by subsections 1 through 7 of this section; and
- (2) Obtained a grade of at least "C" in each unit or one-half unit;
- 4-9. ~~Receives~~Received a composite score of at least twenty-four on an ACT; and
- 5-10. a. ~~Completes~~Fulfilled any one unit requirement set forth in subsections 1 through 7 of this section by means of an advanced placement course and examination; or
- b. Fullfilled any one-half unit requirement set forth in subsections 1 through 7 of this section by means of a dual-credit course.

**SECTION 14. AMENDMENT.** Section 15.1-21-02.6 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.6. North Dakota scholarship - Amount - Applicability.**

- 1. a. The state board of higher education shall provide to any student certified as being eligible by the superintendent of public instruction either a North Dakota academic scholarship or a North Dakota career and technical education scholarship in the amount of seven hundred fifty dollars for each semester during which the student is enrolled full time at an accredited institution of higher education in this state and maintains a cumulative grade point average of 2.75.

- b. The state board of higher education shall provide to any student certified as being eligible by the superintendent of public instruction either a North Dakota academic scholarship or a North Dakota career and technical education scholarship in the amount of five hundred dollars for each quarter during which the student is enrolled full time at an accredited institution of higher education in this state and maintains a cumulative grade point average of 2.75.
- 2. A student is not entitled to receive more than six thousand dollars under this section.
- 3. The state board of higher education shall forward the scholarship directly to the institution in which the student is enrolled.
- 4. a. (1) This section does not require a student to be enrolled in consecutive semesters.
- (2) This section does not require a student to be enrolled in consecutive quarters.
- b. However, a scholarship under this section is valid only for six academic years after the student's graduation from high school and may not be applied to graduate programs.
- 5. A scholarship under this section is available to any eligible student who graduates from a high school in this state or from a high school in a bordering state under chapter 15.1-29.

**SECTION 15.** A new section to chapter 15.1-21 of the North Dakota Century Code is created and enacted as follows:

**North Dakota scholarship - Eligibility - One-time exception.**

- 1. a. Notwithstanding section 15.1-21-02.6, if a student's cumulative grade point average as determined by the state board of higher education at the conclusion of a semester is below 2.75, the board shall grant an exception and provide the North Dakota scholarship to which the student would otherwise be entitled for the next semester in which the student is enrolled full time. The exception provided by this section is applicable to a student only one time.
- b. If a student's cumulative grade point average as determined by the state board of higher education at the conclusion of a semester is below 2.75 for a second time, the student is no longer eligible to receive any additional North Dakota scholarships.
- 2. a. Notwithstanding section 15.1-21-02.6, if a student's cumulative grade point average as determined by the state board of higher education at the conclusion of a quarter is below 2.75, the board shall grant an exception and provide the North Dakota scholarship to which the student would otherwise be entitled for the next quarter in which the student is enrolled full time. The exception provided by this section is applicable to a student only one time.
- b. If a student's cumulative grade point average as determined by the state board of higher education at the conclusion of a quarter is below

2.75 for a second time, the student is no longer eligible to receive any additional North Dakota scholarships.

**SECTION 16.** A new section to chapter 15.1-21 of the North Dakota Century Code is created and enacted as follows:

**North Dakota scholarship fund - Biannual transfer - Continuing appropriation.**

1. Once each semester, the state board of higher education shall certify to the state treasurer the amount necessary to provide the North Dakota academic scholarships and the North Dakota career and technical education scholarships, as set forth in sections 15.1-21-02.4 and 15.1-21-02.5.
2. Upon receiving the certification, the state treasurer shall transfer the certified amount from the interest and other income of the lands and minerals trust fund to the North Dakota scholarship fund.
3. All moneys in the North Dakota scholarship fund are appropriated on a continuing basis to the state board of higher education for the exclusive purpose of providing North Dakota academic scholarships and North Dakota career and technical education scholarships.

**SECTION 17. AMENDMENT.** Section 15.1-21-08 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-08. Reading, mathematics, and science - Administration of test.**

1. The superintendent of public instruction shall administer to public school students a test that is aligned to the state content and achievement standards in reading and mathematics. This test must be administered to ~~all public school students in at least one grade level selected within each of the following grade spans: grades three through five; grades six through nine; and grades ten through twelve. Beginning no later than the 2005-06 school year and annually thereafter, the superintendent of public instruction shall administer the reading and mathematics test~~ annually to all public school students in grades three, four, five, six, seven, eight, and eleven.
2. ~~Beginning no later than the 2007-08 school year and annually thereafter, the~~The superintendent of public instruction shall administer a test that is aligned to the state content and achievement standards in science. This test must be administered to all public school students in at least one grade level selected from three through five; in at least one grade level selected from six through nine; and in grade eleven. The superintendent of public instruction may not administer the grade eleven test after December first of each school year.

**SECTION 18. AMENDMENT.** Section 15.1-21-18 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-18. Career interest inventory - Educational and career planning - Consultation.**

1. A school district shall administer to students, once during their enrollment in grade seven or eight and once during their enrollment in grade nine or ten, a career interest inventory recommended by the department of career and technical education and approved by the superintendent of public instruction.
2. At least once during the seventh or eighth grade, each school district shall arrange for students to participate in either an individual consultative process or a nine-week course, for the purpose of discussing the results of their career interest inventory, selecting high school courses appropriate to their educational pursuits and career interests, and developing individual high school education plans.
3. Each school district shall notify its high school students that, upon request, a student is entitled to receive a consultative review of the student's individual high school education plan at least once during each high school grade. Upon the request of a student, the school district shall provide the consultative review.
4. Each school district shall verify compliance with the requirements of this section at the time and in the manner required by the superintendent of public instruction.

**SECTION 19. AMENDMENT.** Section 15.1-21-19 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-19. Summative assessment - Selection - Cost - Exemptions.**

1. Except as otherwise provided, each public and nonpublic school student in grade eleven shall take the ACT, including the writing test, or three WorkKeys assessments recommended by the department of career and technical education and approved by the superintendent of public instruction. The student shall determine which summative assessment to take. ~~The student's school district of residence~~ superintendent of public instruction is responsible for the cost of procuring and administering one summative assessment ~~and its administration~~ per student.
2. The student's career advisor or guidance counselor shall meet with the student to review the student's assessment results.
3. A school district superintendent or a school administrator in the case of a nonpublic school student may exempt a student from the requirements of this section if taking the test is not required by the student's individualized education program plan or if other special circumstances exist.
4. ~~If the superintendent of public instruction determines that the cost of the summative assessment and its administration can be reduced through use of a state procurement process, the superintendent shall work with the school districts to procure and arrange for the administration of the assessment and shall withhold each district's share of the total cost from any state aid otherwise payable to the district.~~ At the time and in the manner determined by the superintendent of public instruction, each

school district superintendent and each school administrator in the case of a nonpublic school shall report the number of eleventh grade students who:

- a. Took the ACT, including the writing test;
- b. Took the three WorkKeys assessments; and
- c. Were exempted from the requirements of this section, together with the reason for each exemption.

**SECTION 20. AMENDMENT.** Section 15.1-22-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-22-01. Kindergarten - Establishment by board - Request by parent - Levy.**

1. ~~Upon its own motion, the~~The board of a school district ~~may establish a free public kindergarten.~~
2. ~~If the board receives a written request to provide kindergarten from the parent of a student who will be enrolled in the kindergarten, the board shall either provide at least a half-day kindergarten program for the student~~any student enrolled in the district or pay the tuition required for the student to attend at least a half-day kindergarten program in another school district.
- 2.2. The board of a school district that establishes a kindergarten under this section may levy a tax pursuant to subdivision p of subsection 1 of section 57-15-14.2.

**SECTION 21. AMENDMENT.** Section 15.1-27-03.1 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-03.1. (Effective through June 30, 2011) Weighted average daily membership—Determination.**

4. ~~For each school district, the superintendent of public instruction shall multiply by:~~
  - a. ~~1.00 the number of full-time equivalent students enrolled in a migrant summer program;~~
  - b. ~~1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;~~
  - c. ~~0.60 the number of full-time equivalent students enrolled in a summer education program;~~
  - d. ~~0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;~~
  - e. ~~0.30 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and are enrolled in a program of instruction for English language learners;~~

- f. ~~0.25 the number of full-time equivalent students enrolled in an alternative high school;~~
  - g. ~~0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
  - h. ~~0.25 the number of full-time equivalent students enrolled in an isolated high school;~~
  - i. ~~0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;~~
  - j. ~~0.20 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be not proficient and are enrolled in a program of instruction for English language learners;~~
  - k. ~~0.17 the number of full-time equivalent students enrolled in an early childhood special education program;~~
  - l. ~~0.07 the number of students enrolled in average daily membership, in order to support the provision of special education services;~~
  - m. ~~0.07 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be somewhat proficient and are enrolled in a program of instruction for English language learners;~~
  - n. ~~0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; and~~
  - e. ~~0.002 the number of students enrolled in average daily membership, in order to support technology.~~
2. ~~The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.~~

**~~(Effective after June 30, 2011) Weighted average daily membership - Determination.~~**

1. For each school district, the superintendent of public instruction shall multiply by:
  - a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;
  - b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;
  - c. 0.60 the number of full-time equivalent students enrolled in a summer education program;
  - d. 0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;

- e. 0.30 the number of full-time equivalent students who-~~en~~;
  - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and placed in the first of six categories of proficiency; and-are
  - (2) Are enrolled in a program of instruction for English language learners;
- f. 0.25 the number of full-time equivalent students enrolled in an alternative high school;
- g. ~~0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
- h. ~~0.25 the number of full-time equivalent students enrolled in an isolated high school;~~
- i. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;
- j.h. 0.20 the number of full-time equivalent students who-~~en~~;
  - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be ~~not~~more proficient than students placed in the first of six categories of proficiency and therefore placed in the second of six categories of proficiency; and-are
  - (2) Are enrolled in a program of instruction for English language learners;
- k.i. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;
- h.j. ~~0.070.10~~ the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average daily membership and the district consists of an area greater than two hundred seventy-five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students in average daily membership must be deemed to have an enrollment equal to fifty students in average daily membership;
- k. 0.073 the number of students enrolled in average daily membership, in order to support the provision of special education services;
- m.l. 0.07 the number of full-time equivalent students who-~~en~~;
  - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be somewhat~~more~~ proficient and-are~~than~~ students placed in the second of six categories of proficiency and therefore placed in the third of six categories of proficiency;



- (2) Are enrolled in a program of instruction for English language learners; and
- (3) Have not been in the third of six categories of proficiency for more than three years;

~~n.m.~~ 0.025 the number of students representing that percentage of the total number of students in average daily membership which is equivalent to the three-year average percentage of students in grades three through eight who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.];

~~n.~~ 0.006 the number of students enrolled in average daily membership in each public school in the district that:

- (1) Has acquired and is utilizing the PowerSchool student information system;
- (2) Has acquired and is in the process of implementing the PowerSchool student information system; or
- (3) Will acquire the PowerSchool student information system during the current school year, provided the acquisition is contractually demonstrated; and

~~o.~~ 0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; and

~~p.~~ ~~0.002 the number of students enrolled in average daily membership, in order to support technology.~~

2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.

**SECTION 22. AMENDMENT.** Section 15.1-27-03.1 of the North Dakota Century Code is amended and reenacted as follows:

**~~15.1-27-03.1. (Effective through June 30, 2011) Weighted average daily membership, Determination:~~**

- ~~1. For each school district, the superintendent of public instruction shall multiply by:~~
  - ~~a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;~~
  - ~~b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;~~
  - ~~c. 0.60 the number of full-time equivalent students enrolled in a summer education program;~~
  - ~~d. 0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;~~

- e. ~~0.30 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and are enrolled in a program of instruction for English language learners;~~
- f. ~~0.25 the number of full-time equivalent students enrolled in an alternative high school;~~
- g. ~~0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
- h. ~~0.25 the number of full-time equivalent students enrolled in an isolated high school;~~
- i. ~~0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-04;~~
- j. ~~0.20 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be not proficient and are enrolled in a program of instruction for English language learners;~~
- k. ~~0.17 the number of full-time equivalent students enrolled in an early childhood special education program;~~
- l. ~~0.07 the number of students enrolled in average daily membership, in order to support the provision of special education services;~~
- m. ~~0.07 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be somewhat proficient and are enrolled in a program of instruction for English language learners;~~
- n. ~~0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; and~~
- o. ~~0.002 the number of students enrolled in average daily membership, in order to support technology;~~

- 2. ~~The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.~~

**(Effective after June 30, 2011) Weighted average daily membership - Determination.**

- 1. For each school district, the superintendent of public instruction shall multiply by:
  - a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;
  - b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;
  - c. 0.60 the number of full-time equivalent students enrolled in a summer education program;

- d. 0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;
- e. 0.30 the number of full-time equivalent students who ~~are~~:
  - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and placed in the first of six categories of proficiency; and are
  - (2) Are enrolled in a program of instruction for English language learners;
- f. 0.25 the number of full-time equivalent students enrolled in an alternative high school;
- g. ~~0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
- h. ~~0.25 the number of full-time equivalent students enrolled in an isolated high school;~~
- i. 0.20 the number of full-time equivalent students in grades six through eight enrolled in an alternative education program for at least an average of fifteen hours per week;
- h. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;
- j-i. 0.20 the number of full-time equivalent students who ~~are~~:
  - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be ~~not more~~ proficient than students placed in the first of six categories of proficiency and therefore placed in the second of six categories of proficiency; and are
  - (2) Are enrolled in a program of instruction for English language learners;
- k-j. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;
- i-k. ~~0.07~~ 0.10 the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average daily membership and the district consists of an area greater than two hundred seventy-five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students in average daily membership must be deemed to have an enrollment equal to fifty students in average daily membership;
- l. 0.073 the number of students enrolled in average daily membership, in order to support the provision of special education services;
- m. 0.07 the number of full-time equivalent students who ~~are~~;

- (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be somewhat more proficient and are than students placed in the second of six categories of proficiency;
  - (2) Are enrolled in a program of instruction for English language learners; and
  - (3) Have not been in the third of six categories of proficiency for more than three years;
- n. 0.025 the number of students representing that percentage of the total number of students in average daily membership which is equivalent to the three-year average percentage of students in grades three through eight who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.];
- o. 0.006 the number of students enrolled in average daily membership in each public school in the district that:
- (1) Has acquired and is utilizing the PowerSchool student information system;
  - (2) Has acquired and is in the process of implementing the PowerSchool student information system; or
  - (3) Will acquire the PowerSchool student information system during the current school year, provided the acquisition is contractually demonstrated; and
- p. 0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; and
- ~~p. 0.002 the number of students enrolled in average daily membership, in order to support technology.~~
2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.

**SECTION 23. AMENDMENT.** Section 15.1-27-04 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-04. Per student payment rate.**

1. a. The per student payment rate to which each school district is entitled for the first year of the biennium is three thousand ~~two~~nine hundred ~~thirty~~ dollars.
  - b. The per student payment rate to which each school district is entitled for the second year of the biennium is three thousand ~~seven~~nine hundred ~~seventy-nine~~seventy dollars.
2. In order to determine the state aid payment to which each district is entitled, the superintendent of public instruction shall multiply each district's

weighted student units by the per student payment rate set forth in subsection 1.

**SECTION 24. AMENDMENT.** Section 15.1-27-07.2 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-07.2. Baseline funding - Determination - Minimum and maximum allowable increases.**

1. The superintendent of public instruction shall determine each school district's baseline funding per weighted student unit by:
  - a. Adding together all state aid received by the district during the 2006-07 school year;
  - b. Subtracting the amount received by the district during the 2006-07 school year for transportation aid, special education excess cost reimbursements, special education contracts, prior year funding adjustments, and per student payments for participation in educational associations governed by joint powers agreements; and
  - c. Dividing the amount determined under subdivision b by the district's 2007-08 weighted student units.
2.
  - a. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, for the 2009-10 school year, is at least equal to one hundred eight percent of the baseline funding per weighted student unit, as established in subsection 1.
  - b. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, for each school year after the 2009-10 school year, is at least equal to one hundred twelve and one-half percent of the baseline funding per weighted student unit, as established in subsection 1.
3.
  - a. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, less any amount received as equity payments under section 15.1-27-11 per weighted student unit, does not exceed, for the ~~2009-10~~2011-12 school year, one hundred ~~twenty~~forty-two percent of the baseline funding per weighted student unit, as established in subsection 1.
  - b. ~~The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, less any amount received as equity payments under section 15.1-27-11 per weighted student unit, does not exceed, for each school year after the 2009-10 school year, one hundred thirty-four percent of the baseline funding per weighted student unit, as established in subsection 1.~~

**SECTION 25. AMENDMENT.** Section 15.1-27-11 of the North Dakota Century Code is amended and reenacted as follows:

### **15.1-27-11. Equity payments.**

1. The superintendent of public instruction shall:
  - a. Divide the imputed taxable valuation of the state by the total average daily membership of all school districts in the state in order to determine the state average imputed taxable valuation per student.
  - b. Divide the imputed taxable valuation of each school district by the district's total average daily membership in order to determine each district's average imputed taxable valuation per student.
2. If a school district's imputed taxable valuation per student is less than ninety percent of the statewide imputed taxable valuation per student, the superintendent of public instruction shall calculate the valuation deficiency by:
  - a. Determining the difference between ninety percent of the state average imputed taxable valuation per student and the district's average imputed taxable valuation per student; and
  - b. Multiplying that difference by the district's total average daily membership.
3. Except as provided in subsection 4, the equity payment to which a district is entitled under this section equals the district's valuation deficiency multiplied by the lesser of:
  - a. The district's general fund levy for the taxable year 2008; or
  - b. One hundred eighty-five mills.
4.
  - a. The equity payment to which a district is entitled may not exceed the district's taxable valuation multiplied by its general fund levy for the taxable year 2008.
  - b. If a district's general fund levy for the taxable year 2008 is less than one hundred eighty-five mills, the superintendent of public instruction shall subtract the district's general fund levy for the taxable year 2008 from one hundred eighty-five mills, multiply the result by the district's taxable valuation, and subtract that result from the equity payment to which the district is otherwise entitled.
  - c. If a district's imputed taxable valuation per student is less than fifty percent of the statewide imputed taxable valuation per student, the payment to which the district is entitled under this section may not be less than twenty percent of the statewide imputed taxable valuation per student times the school district's average daily membership, multiplied by one hundred eighty-five mills.
5. In determining the amount to which a school district is entitled under this section, the superintendent of public instruction may not include any payments received by the district as a result of Public Law No. 81-874 [64 Stat. 1100; 20 U.S.C. 236 et seq.] and may not include in the district's average daily membership students who are dependents of members of the armed forces and students who are dependents of civilian employees of the department of defense.

6. In determining the statewide average imputed taxable valuation per student for purposes of this section, the superintendent of public instruction may not include:
- a. Any school district, which if included in the calculation would have an imputed taxable valuation per student that is three times greater than the statewide average imputed taxable valuation per student; and
  - b. Any school district, which if included in the calculation would have an imputed taxable valuation per student that is less than one-fifth of the statewide average imputed taxable valuation per student.
7. For purposes of this section:
- a. "General fund levy" includes a district's high school transportation levy and its high school tuition levy.
  - b. "Imputed taxable valuation" means the valuation of all taxable real property in the district plus:
    - (1) An amount determined by dividing seventy percent of the district's mineral and tuition revenue, revenue from payments in lieu of property taxes on distribution and transmission of electric power, revenue from payments in lieu of taxes from electricity generated from sources other than coal, and revenue received on account of the leasing of lands acquired by the United States for flood control, navigation, and allied purposes in accordance with 33 U.S.C. 701c-3 by the district's general fund mill levy for the taxable year 2008; and
    - (2) An amount determined by dividing the district's revenue from mobile home taxes and telecommunications taxes by the district's general fund mill levy for the taxable year 2008.
  - c. "Mineral revenue" includes all revenue from county sources reported under code 2000 of the North Dakota school district financial accounting and reporting manual as developed by the superintendent of public instruction in accordance with section 15.1-02-08.
  - d. "Tuition revenue" includes all revenue reported under code 1300 of the North Dakota school district financial accounting and reporting manual as developed by the superintendent of public instruction in accordance with section 15.1-02-08. "Tuition revenue" does not include tuition income received specifically for the operation of an educational program provided at a residential treatment facility.

**SECTION 26. AMENDMENT.** Section 15.1-27-35.3 of the North Dakota Century Code is amended and reenacted as follows:

**~~15.1-27-35.3. (Effective through June 30, 2011) Payments to school districts—Unobligated general fund balance—Report to legislative council.~~**

- ~~4. The superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of fifty percent of its actual expenditures, plus twenty thousand dollars. Beginning July 1, 2008, the superintendent of~~

~~public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty five percent of its actual expenditures, plus twenty thousand dollars.~~

2. ~~In making the determination required by subsection 1, the superintendent of public instruction may not include in a district's unobligated general fund balance any moneys that:~~
  - a. (1) ~~Were received by the district during the school year ending June 30, 2009, on account of the leasing of lands acquired by the United States for flood control, navigation, and allied purposes in accordance with 33 U.S.C. 701e-3; and~~
  - (2) ~~Exceeded the amount received by the district during the school year ending June 30, 2008, for the purpose stated in paragraph 1;~~
  - b. ~~Were received directly by the district from the United States government in accordance with the American Recovery and Reinvestment Act of 2009; or~~
  - e. ~~Were received by the district as supplemental one-time grants under section 52 of S.L. 2009, ch. 175.~~
3. ~~Any district having more than fifty thousand dollars excluded in the determination of its ending fund balance, as required by subsection 2, shall provide a report to the legislative council. The report, which must be presented at the time and in the manner directed by the legislative council, must address how the money was expended, including the number of mills by which the district was able to decrease its property taxes, if such was a permitted use.~~

**~~(Effective after June 30, 2011) Payments to school districts - Unobligated general fund balance.~~**

1. ~~The superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of fifty percent of its actual expenditures, plus twenty thousand dollars. Beginning July 1, 2008, the superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty-five percent of its actual expenditures, plus twenty thousand dollars.~~
2. In making the determination required by subsection 1, the superintendent of public instruction may not include in a district's unobligated general fund balance any moneys that were received by the district from the federal education jobs fund program.

**SECTION 27.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:



**Supplemental teacher-effectiveness compensation plan.**

1. A representative organization authorized by a negotiating unit, as defined in subdivision b of subsection 2 of section 15.1-16-01, and the board of a school district may agree to pursue a supplemental teacher-effectiveness compensation plan for teachers in the negotiating unit.
2. The negotiating unit may include:
  - a. All teachers employed by the board to teach in the school district; or
  - b. All teachers employed by the board to teach at a particular school in the district.
3. For purposes of this section and the implementation of the supplemental teacher-effectiveness compensation plan, "teacher" means an individual defined in subdivision b of subsection 6 of section 15.1-02-13.

**SECTION 28.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Supplemental teacher-effectiveness compensation plan - Development committee - Membership.**

1. Upon agreeing to pursue a supplemental teacher-effectiveness compensation plan, the board of the school district and the representative organization shall form a committee to develop the plan. The membership of the committee must be agreed upon by the board of the school district and the representative organization.
2. At the initial meeting of the committee, the members shall establish rules of operation and procedure.
3. The committee formed under this section is a public entity for purposes of chapter 44-04.

**SECTION 29.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Supplemental teacher-effectiveness compensation plan - Required content.**

1. A supplemental teacher-effectiveness compensation plan developed under this section must:
  - a. Include only matters of compensation and may not include other terms or conditions of employment normally negotiated under chapter 15.1-16;
  - b. Provide for a determination of compensation that takes into account:
    - (1) Whether the school district has had difficulty filling a particular position with a suitable and highly qualified teacher;

- (2) Whether a teacher has advanced academic degrees or special skills and knowledge beyond those minimally required for a position;
  - (3) Whether a teacher has pursued certified professional development activities beyond those minimally required for a position;
  - (4) Whether a teacher has assumed responsibilities that are beyond those minimally required for a position; and
  - (5) Various measures of student growth, including academic growth;
- c. Include a rigorous and objective system of teacher evaluation that equitably links an individual's performance to the opportunity for additional compensation; and
  - d. Ensure that no teacher subject to the plan will receive less total compensation than that teacher was eligible to receive under the last contract negotiated under chapter 15.1-16.
2. A supplemental teacher-effectiveness compensation plan is not subject to a declaration of impasse under chapter 15.1-16.

**SECTION 30.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Supplemental teacher-effectiveness compensation plan - Review panel - Duties.**

1. Upon agreeing to a supplemental teacher-effectiveness compensation plan, the plan development committee shall forward the plan to a panel consisting of:
  - a. Two employees of the department of public instruction, selected by the superintendent of public instruction;
  - b. Two individuals appointed by the North Dakota council of educational leaders;
  - c. Two individuals appointed by the North Dakota education association; and
  - d. Two individuals appointed by the North Dakota school boards association.
2. Beginning April 1, 2012, the panel shall review each plan that is submitted to ensure that it meets the requirements of section 29 of this Act and then, comparing all eligible plans, recommend for funding those that have the greatest potential to increase teacher effectiveness through supplemental compensation.
3. If the cost of funding all of the plans recommended by the panel exceeds the resources made available, the superintendent of public instruction, with the advice of the review panel, shall select for funding plans that were developed in districts of varying size. For purposes of this section, the superintendent of public instruction shall consider a district to be:

- a. Small, if it has fewer than one thousand weighted student units;
- b. Medium, if it has at least one thousand but fewer than five thousand weighted student units; and
- c. Large, if it has at least five thousand weighted student units.

**SECTION 31.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Supplemental teacher-effectiveness compensation plan - Determination of funding - Minimum amount.**

1. If a plan is selected for funding, the superintendent of public instruction shall determine the amount to which the submitting district is entitled for use as supplemental teacher-effectiveness compensation. The superintendent shall:
  - a. Multiply the number of students in average daily membership instructed by the number of full-time equivalent teachers participating in the district's supplemental teacher-effectiveness compensation plan during the 2012-13 school year;
  - b. Multiply the result determined under subdivision a by a factor of 0.04; and
  - c. Apply the school district size weighting factor as set forth in section 15.1-27-03.2 to the result determined under subdivision b.
2. Notwithstanding subsection 1, if a plan is selected for funding, the minimum amount to which a submitting district is entitled for use as supplemental teacher-effectiveness compensation is two thousand dollars multiplied by the number of full-time equivalent teachers participating in the district's plan.

**SECTION 32.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Administrative costs.**

A school district may use up to five percent of the moneys it receives for its supplemental teacher-effectiveness compensation plan to pay for any additional expenses it has incurred in administering the supplemental teacher-effectiveness compensation plan.

**SECTION 33.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Supplemental teacher-effectiveness compensation plan - Review panel - Additional duties.**

In addition to the duties set forth in section 30 of this Act, the review panel shall:

1. Develop and distribute guidelines pertaining to the creation of supplemental teacher-effectiveness compensation plans;

2. Upon request meet with and advise plan development committees pursuing the creation of supplemental teacher-effectiveness compensation plans; and
3. Provide advice to the superintendent of public instruction regarding the hiring of any employees or the selection of any contractors whose duties will be related to supplemental teacher-effectiveness compensation.

**SECTION 34.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Annual report - Required content.**

1. Any school district that receives state moneys to implement a supplemental teacher-effectiveness compensation plan shall file an annual report with the superintendent of public instruction, at the time and in the manner directed by the superintendent. The report must address whether the plan has:
  - a. Alleviated difficulty filling particular positions with suitable and highly qualified teachers;
  - b. Encouraged teachers to pursue advanced academic degrees or acquire special skills and knowledge beyond those minimally required for a position;
  - c. Encouraged teachers to pursue certified professional development activities beyond those minimally required for a position;
  - d. Encouraged teachers to assume additional responsibilities that are beyond those minimally required for a position; and
  - e. Resulted in measurable student growth, including academic growth.
2. The report also must include suggestions for modifications to the plan, if appropriate.
3. The representative organization shall indicate in writing its agreement with the report and the suggestions for modifications, as submitted by the school district in accordance with this section, or provide to the superintendent of public instruction a separate report together with any suggestions for modifications.
4. If the school district and the representative organization agree to recommend continuation of the plan, with or without modification, the report must contain a request for continued funding.
5. The superintendent of public instruction shall provide copies of the report to the plan review panel established by section 30 of this Act.

**SECTION 35.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Existing contracts - Terms - Effect.**

1. The terms of any contract entered before July 1, 2011, between the board of a school district and a representative organization in accordance with chapter 15.1-16, remain in force and effect for the duration of the contract.
2. A supplemental teacher-effectiveness compensation plan authorized by this Act may take effect on July 1, 2012.

**SECTION 36.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Plan review panel - Reimbursement for expenses.**

Each member of the supplemental teacher-effectiveness compensation plan review panel is entitled to receive reimbursement for expenses as provided by law for state officials if the member is attending meetings or performing duties directed by the panel.

**SECTION 37. AMENDMENT.** Section 15.1-36-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-36-02. School construction projects - Loans.**

1. The board of university and school lands may authorize the use of moneys in the coal development trust fund established pursuant to section 21 of article X of the Constitution of North Dakota and subsection 1 of section 57-62-02 to provide school construction loans, as described in this chapter. The outstanding principal balance of loans under this chapter may not exceed fifty million dollars. The board may adopt policies and rules governing school construction loans.
2. In order to be eligible for a loan under this section, the board of a school district shall:
  - a. Propose a construction project with a cost of at least one million dollars and an expected utilization of at least thirty years;
  - b. Obtain the approval of the superintendent of public instruction for the construction project under section 15.1-36-01; and
  - c. Submit to the superintendent of public instruction an application containing all information deemed necessary by the superintendent, including potential alternative sources or methods of financing the construction project.
3. The superintendent of public instruction shall give priority to any district that meets the requirements for receipt of an equity payment under section 15.1-27-11.
4. If an eligible school district's imputed taxable valuation per student is less than eighty percent of the state average imputed valuation per student, the district is entitled to receive:
  - a. A school construction loan equal to the lesser of ~~eight~~twelve million dollars or eighty percent of the actual project cost;

- b. An interest rate discount equal to at least ~~forty~~ fiftyone hundred but not more than two hundred fifty basis points below the prevailing tax-free bond rates; and
  - c. A term of repayment that may extend up to twenty years.
5. If an eligible school district's imputed taxable valuation per student is equal to at least eighty percent but less than ninety percent of the state average imputed taxable valuation per student, the district is entitled to receive:
  - a. A school construction loan equal to the lesser of ~~seventen~~ seventen million dollars or seventy percent of the actual project cost;
  - b. An interest rate buydown equal to at least ~~forty~~ fiftyone hundred but not more than two hundred fifty basis points below the prevailing tax-free bond rates; and
  - c. A term of repayment that may extend up to twenty years.
6. If an eligible school district's imputed taxable valuation per student is equal to at least ninety percent of the state average imputed taxable valuation per student, the district is entitled to receive:
  - a. A school construction loan equal to the lesser of ~~twofour million five-hundred-thousand~~ twofour million five-hundred-thousand dollars or thirty percent of the actual project cost;
  - b. An interest rate discount equal to at least ~~forty~~ fiftyone hundred but not more than two hundred fifty basis points below the prevailing tax-free bond rates; and
  - c. A term of repayment that may extend up to twenty years.
7. The board of a school district may submit its loan application to the superintendent of public instruction before or after receiving authorization of a bond issue in accordance with chapter 21-03. If the vote to authorize a bond issue precedes the application for a loan, the application must be acted upon by the superintendent expeditiously but no later than one hundred eighty days from the date it is received by the superintendent.
8. The superintendent of public instruction shall consider each loan application in the order it received approval under section 15.1-36-01.
9. If the superintendent of public instruction approves the loan, the superintendent may determine the loan amount, the term of the loan, and the interest rate, in accordance with the requirements of this section.
10. The superintendent of public instruction may adopt rules governing school construction loans.
11. For purposes of this section, a construction project means the purchase, lease, erection, or improvement of any structure or facility by a school board, provided the acquisition or activity is within a school board's authority.

**SECTION 38. AMENDMENT.** Section 15.1-37-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-37-01. Early childhood education program - Approval.**

1. Any person or school district operating an early childhood education program may request approval of the program from the superintendent of public instruction. The superintendent shall approve an early childhood education program if the program:
  - ~~1-a.~~ Is taught by individuals who are licensed to teach in early childhood education by the education standards and practices board;
  - ~~2-b.~~ Follows a developmentally appropriate curriculum; ~~and~~
  - ~~3-c.~~ Is in compliance with all municipal and state health, fire, and safety requirements; ~~and~~
  - d. Limits its enrollment to children who have reached the age of four before August first in the year of enrollment.
2. ~~Per student funding will not be provided to individuals or school districts offering a prekindergarten.~~ In determining the state aid payments to which a school district is entitled, the superintendent of public instruction may not count any student enrolled in a regular early childhood education program.

**SECTION 39. AMENDMENT.** Subsection 1 of section 15.1-37-02 of the North Dakota Century Code is amended and reenacted as follows:

1. The North Dakota early childhood education council consists of:
  - a. A chairman appointed by the governor;
  - b. The superintendent of public instruction, or the superintendent's designee;
  - c. The state health officer, or the officer's designee;
  - d. The director of the department of human services, or the director's designee;
  - e. The North Dakota head start - state collaboration administrator, or the administrator's designee;
  - f. The commissioner of higher education, or the commissioner's designee;
  - g. The commissioner of commerce, or the commissioner's designee;
  - h. The chairman of the senate education committee, or the chairman's designee;
  - ~~h-i.~~ The chairman of the house of representatives education committee, or the chairman's designee; and
  - ~~h-j.~~ The following gubernatorial appointees:
    - (1) The superintendent of a school district having at least one thousand students in average daily membership;
    - (2) The superintendent of a school district having fewer than one thousand students in average daily membership;

- (3) The superintendent of a school district headquartered on a reservation or including reservation land within its boundaries;
- (4) ~~The principal of a school district;~~
- (5) ~~An individual employed as an elementary school teacher;~~
- (6) An individual representing a non-religious-based provider of ~~presechool~~early childhood education;
- (7)(5) An individual representing a religious-based provider of ~~presechool~~early childhood education;
- (8)(6) An individual representing a center-based licensed child care provider;
- (9)(7) An individual representing a home-based licensed child care provider;
- (10)(8) An individual representing a reservation-based head start program;
- (11)(9) An elected member of a school board;
- (12)(10) The parent of a child not yet enrolled in elementary school; ~~and~~
- (13)(11) The parent of a child with ~~special needs~~disabilities not yet enrolled in elementary school; ~~and~~
- (12) An individual representing children with disabilities.

**SECTION 40. AMENDMENT.** Section 15.1-37-03 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-37-03. Council - Duties.**

The council shall:

1. Review the ~~delivery~~availability and provision of early childhood education, ~~care, and services~~ in this state;
2. ~~Conduct a needs assessment;~~
3. ~~Review early childhood education standards and propose revisions to the standards as needed;~~
4. Review identify opportunities for public and private sector collaboration in the ~~delivery~~provision of early childhood education, ~~care, and services~~ in this state;
5. ~~Develop a comprehensive plan governing the delivery of early childhood education in this state; and~~
- 6-3. Identify ways to assist with the recruitment and retention of individuals interested in working as providers of early childhood education, care, and services, including training and continuing education or professional development opportunities;



4. Seek the advice and guidance of individuals who are uniquely familiar with the nature, scope, and associated challenges of providing early childhood education, care, and services in geographically and socioeconomically diverse settings, and develop recommendations pertaining to the short-term and longer-term improvement and expansion of early childhood education, care, and services in this state; and
5. Provide a biennial report regarding its activities findings and recommendations to the governor and the legislative council assembly.

**SECTION 41. AMENDMENT.** Section 57-15-14 of the North Dakota Century Code is amended and reenacted as follows:

**57-15-14. General fund levy limitations in school districts.**

The aggregate amount levied each year for the purposes listed in section 57-15-14.2 by any school district, except the Fargo school district, may not exceed the amount in dollars which the school district levied for the prior school year plus twelve percent up to a general fund levy of one hundred eighty-five mills on the dollar of the taxable valuation of the district, except that:

1. In any school district having a total population in excess of four thousand according to the last federal decennial census there may be levied any specific number of mills that upon resolution of the school board has been submitted to and approved by a majority of the qualified electors voting upon the question at any regular or special school district election.
2. In any school district having a total population of fewer than four thousand, there may be levied any specific number of mills that upon resolution of the school board has been approved by fifty-five percent of the qualified electors voting upon the question at any regular or special school election.
3. After June 30, 2009, in any school district election for approval by electors of increased levy authority under subsection 1 or 2, the ballot must specify the number of mills proposed for approval, and the number of taxable years for which that approval is to apply. After June 30, 2009, approval by electors of increased levy authority under subsection 1 or 2 may not be effective for more than ten taxable years.
4. The authority for a levy of up to a specific number of mills under this section approved by electors of a school district before July 1, 2009, is terminated effective for taxable years after 2015. If the electors of a school district subject to this subsection have not approved a levy for taxable years after 2015 of up to a specific number of mills under this section by December 31, 2015, the school district levy limitation for subsequent years is subject to the limitations under section 57-15-01.1 or this section.
5. The authority for an unlimited levy approved by electors of a school district before July 1, 2009, is terminated effective for taxable years after 2015. If the electors of a school district subject to this subsection have not approved a levy of up to a specific number of mills under this section by December 31, 2015, the school district levy limitation for subsequent years is subject to the limitations under section 57-15-01.1 or this section.

6. A school district that experiences a rapidly increasing taxable valuation may levy, for the taxable year of the rapidly increasing taxable valuation and the next taxable year, the amount in dollars which the school district levied for the prior school year plus eighteen percent, up to a general fund levy of one hundred eighty-five mills on the dollar of the taxable valuation of the district. For purposes of this subsection, "rapidly increasing taxable valuation" means an increase of twenty percent or more in taxable valuation from the immediately preceding taxable year.

The question of authorizing or discontinuing such specific number of mills authority in any school district must be submitted to the qualified electors at the next regular election upon resolution of the school board or upon the filing with the school board of a petition containing the signatures of qualified electors of the district equal in number to ten percent of the number of electors who cast votes in the most recent election in the school district. However, not fewer than twenty-five signatures are required. However, the approval of discontinuing such authority does not affect the tax levy in the calendar year in which the election is held. The election must be held in the same manner and subject to the same conditions as provided in this section for the first election upon the question of authorizing the mill levy.

#### **SECTION 42. ISOLATED SCHOOLS - TRANSITION PAYMENTS.**

1. If during the 2010-11 school year a school district received payments as a result of section 15.1-27-15, as the section existed on June 30, 2011, and if that district is not eligible for the factor established under subdivision j of subsection 1 of section 15.1-27-03.1, the district is entitled to the following transition payments:
  - a. For the 2011-12 school year, an amount equal to that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011;
  - b. For the 2012-13 school year, an amount equal to seventy-five percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011;
  - c. For the 2013-14 school year, an amount equal to fifty percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011; and
  - d. For the 2014-15 school year, an amount equal to twenty-five percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011.
2. Upon the closure of a school that met the definition of isolated under section 15.1-27-15, as it existed on June 30, 2011, the superintendent of public instruction shall cease to provide to the district the transition payments established under subsection 1.

#### **SECTION 43. TRANSPORTATION GRANTS - DISTRIBUTION.**

1. During each year of the 2011-13 biennium, the superintendent of public instruction shall calculate the payment to which each school district is entitled based on the state transportation formula as it existed on June 30,

2001, except that the superintendent shall provide reimbursement at the rate of:

- a. One dollar and three cents per mile for schoolbuses having a capacity of ten or more passengers;
  - b. Forty-six cents per mile for vehicles having a capacity of nine or fewer passengers;
  - c. Forty-six cents per mile, provided:
    - (1) The student being transported is a student with a disability, as defined in chapter 15.1-32;
    - (2) The student's individualized education program plan requires that the student attend a public or a nonpublic school located outside the student's school district of residence;
    - (3) The student is transported by an adult member of the student's family;
    - (4) The student is transported in a vehicle furnished by the student's parents;
    - (5) The student's transportation is paid for by the student's parents; and
    - (6) The reimbursement does not exceed two round trips daily between the student's home and school.
  - d. Forty-six cents per mile, one way, provided:
    - (1) The student being transported resides more than two miles from the public school that the student attends;
    - (2) The student is transported by an adult member of the student's family;
    - (3) The student is transported in a vehicle furnished by the student's parents; and
    - (4) The student's transportation is paid for by the student's parents; and
  - e. Twenty-six cents per student for each one-way trip.
2. The superintendent of public instruction shall use the latest available student enrollment count in each school district in applying the provisions of subsection 1.
  3. If any moneys provided for transportation payments in the grants transportation line item in the appropriation bill for the superintendent of public instruction, as approved by the sixty-second legislative assembly, remain after application of the formula provided for in this section, the superintendent of public instruction shall prorate the remaining amounts according to the percentage of the total transportation formula amount to which each school district is entitled.

4. This section does not authorize the reimbursement of any costs incurred in providing transportation for student attendance at extracurricular activities or events.

**SECTION 44. SCHOOL DISTRICT RAPID ENROLLMENT GROWTH - GRANT.** During the 2011-13 biennium, the superintendent of public instruction shall expend up to \$5,000,000 from the grants - state school aid line item in the appropriation bill for the superintendent of public instruction, as approved by the sixty-second legislative assembly, for the purpose of providing a grant to any school district that can demonstrate rapid enrollment growth in accordance with this section.

1. If the number of full-time equivalent students enrolled in a school district has increased by at least three percent annually and if that increase is equal to at least twenty-five full-time equivalent students, as demonstrated by the district's September tenth fall enrollment report, the district is entitled to receive a grant equal to thirty percent of the per student payment provided for in section 15.1-27-04 multiplied by the actual increase in its full-time equivalent student enrollment.
2. If the number of full-time equivalent students enrolled in a school district has increased by at least seven percent annually and if that increase is equal to at least twenty-five full-time equivalent students, as demonstrated by the district's September tenth fall enrollment report, the district is entitled to receive a grant equal to seventy percent of the per student payment provided for in section 15.1-27-04 multiplied by the actual increase in its full-time equivalent student enrollment.
3. If the number of full-time equivalent students enrolled in a school district has increased by at least thirteen percent annually and if that increase is equal to at least twenty-five full-time equivalent students, as demonstrated by the district's September tenth fall enrollment report, the district is entitled to receive a grant equal to the per student payment provided for in section 15.1-27-04 multiplied by the actual increase in its full-time equivalent student enrollment.
4. If the amount of the expenditure provided for in this section is insufficient to meet the obligations of this section, the superintendent of public instruction shall prorate the payment based on the percentage of the total amount to which each school district is entitled.
5. A district may not receive more than \$800,000 annually in accordance with this section.

**SECTION 45. USE OF NEW MONEY - TEACHER COMPENSATION INCREASES - REPORTS TO THE LEGISLATIVE MANAGEMENT.**

1. During the 2011-13 biennium, the board of each school district shall use an amount equal to at least seventy percent of all new money received by the district for per student payments to increase the compensation paid to teachers and to provide compensation to teachers who begin employment with the district on or after July 1, 2011.

2. For purposes of this section, the superintendent of public instruction shall calculate the amount of new money received by a district during the 2011-13 biennium by:
  - a. Determining the total amount of state dollars received by each district during the 2009-11 biennium as per student payments, provided that equity payments, transportation payments, contingency distributions, mill levy reduction payments, and technology support payments are not to be included in the total;
  - b. Determining the total amount of state dollars received by each district during the 2011-13 biennium as per student payments, provided that the following are not to be included in the total:
    - (1) Contingent distributions;
    - (2) Cross-border attendance moneys;
    - (3) Deferred maintenance and physical plant improvements grants;
    - (4) Equity payments;
    - (5) Federal education jobs funds program moneys;
    - (6) Home-based education program monitoring moneys;
    - (7) Mill levy reduction payments;
    - (8) PowerSchool acquisition, implementation, and utilization moneys;
    - (9) Regional education association moneys and grants; and
    - (10) Transportation payments; and
  - c. Subtracting the amount arrived at under subdivision a from the amount arrived at under subdivision b.
3. School districts providing educational services under a cooperative agreement approved by the superintendent of public instruction must, for purposes of this section, be treated as a single district.
4.
  - a. This section does not apply to a school district if the board of the school district, after a public hearing at which public testimony and documentary evidence are accepted, determines in its discretion and by an affirmative vote of two-thirds of the members of the board that complying with subsection 1 would place the school district in the position of having insufficient fiscal resources to meet the school district's other obligations.
  - b. Within ten days of the vote required by subdivision a, the school board shall notify the superintendent of public instruction of its action and shall file a report detailing the grounds for its determination and action.
  - c. The superintendent of public instruction shall report all notices received under this subsection to the legislative management.

**SECTION 46. CONTINGENT MONEY.** If any money appropriated to the superintendent of public instruction for state aid payments to school districts remains

after the superintendent complies with all statutory payment obligations imposed for the biennium beginning July 1, 2011, and ending June 30, 2013, the superintendent shall use the remaining moneys to provide additional per student payments on a prorated basis according to the latest available average daily membership of each school district.

**SECTION 47. CONTINGENT TRANSFER BY BANK OF NORTH DAKOTA FOR SPECIAL EDUCATION.** If during the biennium beginning July 1, 2011, and ending June 30, 2013, the superintendent of public instruction determines that, using all available sources, there are insufficient funds with which to fully reimburse school districts for the excess costs of serving the one percent of special education students statewide who require the greatest school district expenditures in order to be provided with special education and related services, the industrial commission shall transfer from the earnings and accumulated and undivided profits of the Bank of North Dakota the amount the superintendent of public instruction certifies is necessary to provide the statutorily required level of reimbursement. The superintendent of public instruction shall file for introduction legislation requesting that the sixty-third legislative assembly return any amount transferred under this section to the Bank of North Dakota.

**SECTION 48. LEGISLATIVE MANAGEMENT STUDY - ADULT EDUCATION.** During the 2011-12 interim, the legislative management shall consider studying the provision and funding of adult education. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-third legislative assembly.

**SECTION 49. EDUCATION FUNDING AND TAXATION COMMITTEE - STUDY.**

1. The education funding and taxation committee consists of:
  - a. The following nine voting members:
    - (1) The chairman of the house education committee, or the chairman's designee;
    - (2) The chairman of the house finance and taxation committee, or the chairman's designee;
    - (3) The chairman of the senate education committee, or the chairman's designee;
    - (4) The chairman of the senate finance and taxation committee, or the chairman's designee; and
    - (5) Five legislators appointed by the chairman of the legislative management; and
  - b. The following five nonvoting members:
    - (1) The tax commissioner or the commissioner's designee;
    - (2) The superintendent of public instruction or the superintendent's designee;
    - (3) A representative of the governor, selected by the governor; and

- (4) Two school district business managers, appointed by the legislative management.
2. The chairman of the legislative management shall select one from among the voting members to serve as the chairman of the committee.
3. The committee shall establish its own rules of operation and procedure.
4. The committee may form workgroups, task forces, and subcommittees to seek additional information and outside expertise.
5.
  - a. Each member of the committee and any individual requested by the chairman to serve on a workgroup, task force, or subcommittee is entitled to receive reimbursement for actual and necessary expenses incurred in the same manner as state officials.
  - b. Each member of the legislative assembly who serves on the committee is entitled to receive per diem compensation as provided for in section 54-03-20, if the member is attending meetings or performing other duties as directed by the chairman.
6. The committee shall examine short-term and longer-term state and local involvement in funding elementary and secondary education. The committee shall report its findings, together with any legislation required to implement the recommendations, to the sixty-third legislative assembly.

**SECTION 50. SUPPLEMENTAL TEACHER-EFFECTIVENESS COMPENSATION PLANS - EXEMPTION - CARRYOVER AUTHORITY.** Section 54-44.1-11 does not apply to any moneys included in the grants - state school aid line item in the appropriation bill for the superintendent of public instruction, as approved by the sixty-second legislative assembly, for the purpose of funding supplemental teacher-effectiveness compensation plans during the 2011-13 biennium. Any moneys not expended by June 30, 2013, must be continued and expended only for the purpose of funding supplemental teacher-effectiveness compensation plans during the biennium beginning July 1, 2013, and ending June 30, 2015.

**SECTION 51. REPEAL.** Section 6 of this Act and sections 15.1-18.2-01, 15.1-18.2-02, and 15.1-18.2-03 of the North Dakota Century Code are repealed.

**SECTION 52. REPEAL.** Section 15.1-27-15 of the North Dakota Century Code is repealed.

**SECTION 53. EFFECTIVE DATE.** Sections 22 and 51 of this Act become effective on July 1, 2013.

**SECTION 54. EXPIRATION DATE.** Sections 27 through 36 of this Act are effective through June 30, 2013, and after that date are ineffective."

Renumber accordingly



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April 6, 2011

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**PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2150**

In lieu of the amendments adopted by the House as printed on pages 1229-1268 of the House Journal, Reengrossed Senate Bill No. 2150 is amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 15.1-09.1, four new sections to chapter 15.1-18.2, two new sections to chapter 15.1-21, and eight new sections to chapter 15.1-27 of the North Dakota Century Code, relating to regional education associations, the professional development advisory committee, North Dakota scholarships, and supplemental teacher-effectiveness compensation; to amend and reenact sections 15.1-06-04, 15.1-07-33, 15.1-09-58, 15.1-09.1-02, 15.1-21-02.1, 15.1-21-02.4, 15.1-21-02.5, 15.1-21-02.6, 15.1-21-08, 15.1-21-18, 15.1-21-19, 15.1-22-01, 15.1-27-03.1, 15.1-27-04, 15.1-27-07.2, 15.1-27-11, 15.1-27-35.3, 15.1-36-02, and 15.1-37-01, subsection 1 of section 15.1-37-02, and sections 15.1-37-03 and 57-15-14 of the North Dakota Century Code, relating to the school calendar, technology, regional education associations, curriculum requirements, assessments, scholarships, student consultations, state aid, school construction funding, early childhood education, care, and services, and taxable valuations; to repeal section 6 of this Act and sections 15.1-18.2-01, 15.1-18.2-02, 15.1-18.2-03, and 15.1-27-15 of the North Dakota Century Code, relating to professional development and isolated schools; to provide for compensation increases, transition payments, contingent payments, and the distribution of transportation grants, supplemented teacher-effectiveness compensation grants, and rapid enrollment growth grants; to provide for legislative management studies; and to provide an effective date.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. AMENDMENT.** Section 15.1-06-04 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-06-04. School calendar - Length.**

1. During the 2009-10 school year, a school district shall provide for a school calendar of at least one hundred eighty days.
  - a. One hundred seventy-three days must be used for instruction;
  - b. Three days must be used for holidays, as selected by the school board in consultation with district teachers from the list provided for in subdivisions b through j of subsection 1 of section 15.1-06-02;
  - c. Up to two days must be used for:
    - (1) Parent-teacher conferences; or
    - (2) Compensatory time for parent-teacher conferences held outside regular school hours; and

- d. Two days must be used for professional development.
- 2. ~~During~~Beginning with the 2010-11 school year, a school district shall provide for a school calendar of at least one hundred eighty-one days.
  - a. One hundred seventy-four days must be used for instruction;
  - b. Three days must be used for holidays, as selected by the board in consultation with district teachers from the list provided for in subdivisions b through j of subsection 1 of section 15.1-06-02;
  - c. Up to two days must be used for:
    - (1) Parent-teacher conferences; or
    - (2) Compensatory time for parent-teacher conferences held outside of regular school hours; and
  - d. Two days must be used for professional development.
- 3. ~~Beginning with the 2011-12~~2012-13 school year, a school district shall provide for a school calendar of at least one hundred eighty-two days.
  - a. One hundred seventy-five days must be used for instruction;
  - b. Three days must be used for holidays, as selected by the board in consultation with district teachers from the list provided for in subdivisions b through j of subsection 1 of section 15.1-06-02;
  - c. Up to two days must be used for:
    - (1) Parent-teacher conferences; or
    - (2) Compensatory time for parent-teacher conferences held outside of regular school hours; and
  - d. Two days must be used for professional development.
- 4. A day for professional development must consist of:
  - a. Six hours of professional development, exclusive of meals and other breaks, conducted within a single day; or
  - b. Two four-hour periods of professional development, exclusive of meals and other breaks, conducted over two days.
- 5. If a school district offers a four-hour period of professional development, as permitted in subdivision b of subsection 4, the school district may schedule instruction during other available hours on that same day and be credited with providing one-half day of instruction to students. This subsection does not apply unless the one-half day of instruction equals at least one-half of the time required for a full day of instruction, as defined in this section.
- 6. a. In meeting the requirements for two days of professional development under this section, a school district may require that its teachers attend the North Dakota education association instructional conference and may pay teachers for attending the conference, provided their attendance is verified.

- b. In meeting the requirements for two days of professional development under this section, a school district may consider attendance at the North Dakota education association instructional conference to be optional, elect not to pay teachers for attending the instructional conference, and instead direct any resulting savings toward providing alternate professional development opportunities.
  - c. A school district may not require the attendance of teachers in school or at any school-sponsored, school-directed, school-sanctioned, or school-related activities and may not schedule classroom instruction time nor alternate professional development activities on any day that conflicts with the North Dakota education association instructional conference.
7. Beginning with the 2010-11 school year, if a school district elects to provide an optional third day of professional development, the school district shall do so by:
- a. Meeting the requirements for a day of professional development as set forth in subsection 4; or
  - b. Shortening four instructional days, for the purpose of providing for two-hour periods of professional development, provided:
    - (1) Each instructional day on which such professional development occurs includes at least four hours of instruction for kindergarten and elementary students and four and one-half hours for high school students;
    - (2) The instructional time for each course normally scheduled on that day is reduced proportionately or the daily schedule is reconfigured to ensure that the same course is not subject to early dismissal more than one time per school calendar, as a result of this subdivision; and
    - (3) All teachers having a class dismissed as a result of this subdivision are required to be in attendance and participate in the professional development.
8. a. If a school's calendar provides for an extension of each schoolday beyond the statutorily required minimum number of hours, and if the extensions when aggregated over an entire school year amount to more than eighty-four hours of additional classroom instruction during the school year, the school is exempt from having to make up six hours of instruction time lost as a result of weather-related closure. In order to make up lost classroom instruction time beyond the six hours, the school must extend its normal school calendar day by at least thirty minutes.
- b. A school that does not qualify under the provisions of this subsection must extend its normal schoolday by at least thirty minutes to make up classroom instruction time lost as a result of weather-related closure.
  - c. If because of weather a school must dismiss before completing a full day of instruction, the school is responsible for making up only those hours and portions of an hour between the time of early dismissal and the conclusion of a full day of classroom instruction.

- 9. For purposes of this section, a full day of instruction consists of:
  - a. At least five and one-half hours for kindergarten and elementary students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction; and
  - b. At least six hours for high school students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction.

**SECTION 2. AMENDMENT.** Section 15.1-07-33 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-07-33. Student information system - Statewide coordination - Financial support - Exemption.**

- 1. Notwithstanding any other technology requirements imposed by the superintendent of public instruction, the information technology department, or the North Dakota educational technology council, each school district shall acquire PowerSchool through the information technology department and use it as its principal student information system.
- 2. The superintendent of public instruction shall forward that portion of a school district's state aid which is payable by the superintendent under subdivision n of subsection 1 of section 15.1-27-03.1 directly to the information technology department to reimburse the department for the cost of the school district's acquisition, implementation, or utilization of PowerSchool and any related technology support services. The superintendent shall forward the amount payable under this subsection at the same time and in the same manner as provided for other state aid payments under section 15.1-27-01.
- 3. If the portion of a school district's state aid forwarded to the information technology department under subsection 2 exceeds the cost incurred by the information technology department in providing for the school district's acquisition, implementation, or utilization of PowerSchool and any related technology support services, the information technology department shall return the excess moneys to the superintendent of public instruction for redistribution to the school district as per student payments.
- 4. The superintendent of public instruction may exempt a school district from having to acquire and utilize PowerSchool if the school district demonstrates that, in accordance with requirements of the bureau of Indian education, the district has acquired and is utilizing a student information system that is determined to be comparable by the superintendent.

**SECTION 3. AMENDMENT.** Section 15.1-09-58 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-09-58. Prekindergarten program Early childhood education - Authorization - Support.**

The board of a school district may establish a ~~prekindergarten~~ early childhood program and may ~~receive and expend any state moneys specifically appropriated for the program, any federal funds~~ support that program with:

- 1. Local tax revenues, other than those necessary to support the district's kindergarten program and the district's provision of elementary and high school educational services;
- 2. Federal moneys specifically appropriated or approved for the program; ~~and any gifts~~
- 3. Gifts, grants, and donations specifically given for the program.

**SECTION 4. AMENDMENT.** Section 15.1-09.1-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-09.1-02. Regional education association - Joint powers agreement - Review by superintendent of public instruction - Criteria.**

~~Before~~ In order for a group of school districts ~~may~~ to be designated as a regional education association, the superintendent of public instruction shall review the joint powers agreement that the districts have entered and verify that: the requirements of this section have been met.

- 1. The school districts must:
  - a. Have a combined total land mass of at least five thousand eight hundred square miles [1502193 hectares];
  - b. (1) Have a combined total land mass of at least four thousand five hundred square miles [1165494 hectares]; and
    - (2) Number at least twelve;
  - c. (1) Have a combined total land mass of at least four thousand square miles [1035995 hectares]; and
    - (2) Have at least three thousand students in average daily membership; or
  - d. (1) Have a combined total land mass of at least one thousand five hundred square miles [388498 hectares]; and
    - (2) Have at least seven thousand five hundred students in average daily membership.
- 2. The school districts ~~are~~ must be contiguous to each other or, if the districts are not contiguous to each other, the superintendent of public instruction shall verify that the participating districts can provide sound educational opportunities to their students in a fiscally responsible manner without injuring other school districts or regional education associations and without negatively impacting the ability of other school districts or regional education associations to provide sound educational opportunities to their students in a fiscally responsible manner. A decision by the superintendent



of public instruction under this subsection may be appealed to the state board of public school education. A decision by the state board is final.

- 3. The joint powers agreement ~~requires~~must require that the participating school districts maintain a joint operating fund ~~and share various administrative functions and student services in accordance with subsection 4.~~
- 4. a. ~~During the first two school years in which a regional education association is operational, each participating school district shall share in at least two administrative functions and two student services, selected by the district.~~
- b. ~~During the third and fourth school years in which a regional education association is operational, each participating school district shall share in at least three administrative functions and three student services, selected by the district.~~
- c. ~~During the fifth school year in which a regional education association is operational, and each year thereafter, each participating school district shall share at least five administrative functions and five student services, selected by the district.~~
- d. ~~For purposes of this subsection:~~
  - (1) ~~"Administrative functions" means:~~
    - (a) ~~Business management;~~
    - (b) ~~Career and technical education services management;~~
    - (c) ~~Curriculum mapping or development;~~
    - (d) ~~Data analysis;~~
    - (e) ~~Federal program support;~~
    - (f) ~~Federal title program management;~~
    - (g) ~~Grant writing;~~
    - (h) ~~School improvement;~~
    - (i) ~~School safety and environment management;~~
    - (j) ~~Special education services management;~~
    - (k) ~~Staff development;~~
    - (l) ~~Staff retention and recruitment;~~
    - (m) ~~Staff sharing;~~
    - (n) ~~Technology support; and~~
    - (o) ~~Any other functions approved by the superintendent of public instruction.~~
  - (2) ~~"Student services" means:~~
    - (a) ~~Advanced placement classes;~~

- (b) ~~Alternative high schools or alternative high school programs;~~
- (c) ~~Career and technical education classes;~~
- (d) ~~Counseling services;~~
- (e) ~~Common elementary curricula;~~
- (f) ~~Distance learning classes;~~
- (g) ~~Dual credit classes;~~
- (h) ~~Foreign language classes;~~
- (i) ~~Library and media services;~~
- (j) ~~Summer programs;~~
- (k) ~~Supplemental instruction programs; and~~
- (l) ~~Any other services approved by the superintendent of public instruction.~~

e. ~~For purposes of this subsection, if a regional education association became operational before July 1, 2006, the 2005-06 school year must be considered the provider's first year of operation.~~

6. ~~The joint powers agreement provides~~must provide:

- a. ~~Criteria for the future participation of school districts that were not parties to the original joint powers agreement;~~
- b. ~~An application process by which school districts that were not parties to the original joint powers agreement can become participating districts; and~~
- c. ~~A process by which school districts that were not parties to the original joint powers agreement and whose application to participate in the agreement was denied can appeal the decision to the superintendent of public instruction.~~

6.5. ~~The joint powers agreement provides~~must provide for the employment and compensation of staff.

7.6. ~~The joint powers agreement~~must:

- a. ~~Establishes~~Establish the number of members on the governing board;
- b. ~~Establishes~~Establish the manner in which members of the governing board are determined;
- c. ~~Requires all members~~Require that each member of the governing board ~~or their designees to be individuals~~be an individual currently serving on the board of a participating school district ~~or the designee of a participating school district's board~~; and
- d. ~~Allows~~Allow for the inclusion of ex officio nonvoting members on the governing board.

8-7. The joint powers agreement ~~provides~~must provide that the board of the regional education association shall meet at least quarterly.

9-8. The joint powers agreement ~~does~~may not permit the regional education association to compensate members of the regional education association board for attending meetings of the board and does not permit the regional education association to reimburse members of the board for any expenses incurred in attending meetings of the board.

**SECTION 5.** A new section to chapter 15.1-09.1 of the North Dakota Century Code is created and enacted as follows:

**Regional education association - Services to be offered.**

- 1. In order to be eligible for state funding, a regional education association must offer the following services to its member districts:
  - a. Coordination and facilitation of professional development activities for teachers and administrators employed by its member districts;
  - b. Supplementation of technology support services;
  - c. Assistance with achieving school improvement goals identified by the superintendent of public instruction;
  - d. Assistance with the collection, analysis, and interpretation of student achievement data; and
  - e. Assistance with the expansion and enrichment of curricular offerings.
- 2. Subsection 1 does not preclude a regional education association from offering additional services to its member districts.

**SECTION 6.** A new section to chapter 15.1-18.2 of the North Dakota Century Code is created and enacted as follows:

**Professional development advisory committee - Reimbursement of members.**

Each member of the professional development advisory committee is entitled to receive reimbursement for expenses as provided by law for state officers if the member is attending committee meetings, except that no member may receive reimbursement under this section for more than three committee meetings during each year of the biennium.

**SECTION 7.** A new section to chapter 15.1-18.2 of the North Dakota Century Code is created and enacted as follows:

**Teacher support program - Establishment.**

The education standards and practices board shall:

- 1. Establish and administer a teacher support program;
- 2. Employ an individual to serve as a teacher support program coordinator;

- 3. a. Select and train experienced teachers who will serve as mentors for first-year teachers and assist the first-year teachers with instructional skills development; or
- b. If a school district or other employing entity listed in section 9 of this Act is not in need of mentors for its first-year teachers, select and train experienced teachers who will work with school district administrators and administrators from the other employing entities to identify the needs of the non-first-year teachers and help the non-first-year teachers address their particular needs through the use of:
  - (1) Research-validated interventions; and
  - (2) Proven instructional methods.

**SECTION 8.** A new section to chapter 15.1-18.2 of the North Dakota Century Code is created and enacted as follows:

**Teacher support program - Availability of services.**

The education standards and practices board may use any moneys it receives for the teacher support program to provide staff compensation, training, evaluation, and stipends for mentors and experienced teachers who assist first-year and non-first-year teachers participating in the program, and to pay for any other administrative expenses resulting from the program; provided, however, that the board may not expend more than five percent of the moneys for administrative purposes.

**SECTION 9.** A new section to chapter 15.1-18.2 of the North Dakota Century Code is created and enacted as follows:

**Teacher support program - Authorized service recipients.**

The education standards and practices board may provide support services to teachers employed by:

- 1. School districts;
- 2. Special education units;
- 3. Area career and technology centers;
- 4. Regional education associations; and
- 5. Schools funded by the bureau of Indian education.

**SECTION 10. AMENDMENT.** Section 15.1-21-02.1 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.1. High school graduation—Diplomadiploma - Minimum requirements.**

Except as provided in section 15.1-21-02.3, before a school district, a nonpublic high school, or the center for distance education issues a high school diploma to a student, the student must have successfully completed the following twenty-two units of high school coursework:

- 1. ~~Four units of English language arts from a sequence that includes literature, composition, and speech;~~
- 2. ~~Three units of mathematics;~~
- 3. ~~Three units of science, including:~~
  - a. ~~One unit of physical science;~~
  - b. ~~One unit of biology; and~~
  - e. ~~(1) One unit of any other science; or~~  
~~(2) Two one-half units of any other science;~~
- 4. ~~Three units of social studies, including:~~
  - a. ~~One unit of United States history;~~
  - b. ~~(1) One-half unit of United States government and one-half unit of economics; or~~  
~~(2) One unit of problems of democracy; and~~
  - e. ~~One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;~~
- 5. a. ~~One unit of physical education; or~~  
b. ~~One-half unit of physical education and one-half unit of health;~~
- 6. ~~Three units of:~~
  - a. ~~Foreign languages;~~
  - b. ~~Native American languages;~~
  - e. ~~Fine arts; or~~
  - d. ~~Career and technical education courses; and~~
- 7. ~~Any five additional units.~~
  - 1. The twenty-two units of high school coursework set forth in section 11 of this Act; and
  - 2. Any additional units of high school coursework required by the issuing entity.

**SECTION 11.** A new section to chapter 15.1-21 of the North Dakota Century Code is created and enacted as follows:

**High school graduation - Minimum requirements.**

Except as provided in section 15.1-21-02.3, the following twenty-two units of high school coursework constitute the minimum requirement for high school graduation:

1. Four units of English language arts from a sequence that includes literature, composition, and speech;
2. Three units of mathematics;
3. Three units of science, including:
  - a. One unit of physical science;
  - b. One unit of biology; and
  - c. (1) One unit of any other science; or  
(2) Two one-half units of any other science;
4. Three units of social studies, including:
  - a. One unit of United States history;
  - b. (1) One-half unit of United States government and one-half unit of economics; or  
(2) One unit of problems of democracy; and
  - c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;
5. a. One unit of physical education; or  
b. One-half unit of physical education and one-half unit of health;
6. Three units of:
  - a. Foreign languages;
  - b. Native American languages;
  - c. Fine arts; or
  - d. Career and technical education courses; and
7. Any five additional units.

**SECTION 12. AMENDMENT.** Section 15.1-21-02.4 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.4. North Dakota career and technical education scholarship.**

Any resident student who graduates from a high school during or after the 2010-11 school year is eligible to receive a North Dakota career and technical education scholarship provided the student ~~completes all requirements set forth in subsections 1 through 5 and subsection 7 of section 15.1-21-02.1 for a high school diploma and:~~

1. Completed four units of English language arts from a sequence that includes literature, composition, and speech;
2. Completed three units of mathematics, including:

- a. ~~Completes one~~One unit of algebra II, as defined by the superintendent of public instruction, ~~in fulfillment of the mathematics requirement set forth in subsection 2 of section 15.1-21-02.1;~~ and
  - b. ~~Completes two~~Two units of any other mathematics;
3. Completed three units of science, including:
- a. One unit of physical science;
  - b. One unit of biology; and
  - c. (1) One unit of any other science; or  
 (2) Two one-half units of any other science;
4. Completed three units of social studies, including:
- a. One unit of United States history;
  - b. (1) One-half unit of United States government and one-half unit of economics; or  
 (2) One unit of problems of democracy; and
  - c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;
5. a. Completed one unit of physical education; or  
 b. One-half unit of physical education and one-half unit of health;
6. Completed:
- a. One unit selected from:
    - (1) Foreign languages;
    - (2) Native American languages;
    - (3) American sign language;
    - (4) Fine arts; or
    - (5) Career and technical education courses; and
  - b. Two units of a coordinated plan of study recommended by the department of career and technical education and approved by the superintendent of public instruction; and
- e-7. ~~Completes three~~Completed any five additional units, two of which must be in the area of career and technical education;
2. ~~Obtains a grade of at least "C" in each unit or one-half unit required for the diploma;~~
- 3-8. a. (1) ~~Obtains~~Obtained a cumulative grade point average of at least "B"3.0 on a 4.0 grading scale, as determined by the

superintendent of public instruction, based on all high school units in which the student was enrolled; and

- (2) Obtained a grade of at least "C" in each unit or one-half unit; or
- b. (1) Obtained a cumulative grade point average of at least 3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based only on the units required by subsections 1 through 7 of this section; and
- (2) Obtained a grade of at least "C" in each unit or one-half unit; and

4.9. ~~Receives~~Received:

- a. A composite score of at least twenty-four on an ACT; or
- b. A score of at least five on each of three WorkKeys assessments recommended by the department of career and technical education and approved by the superintendent of public instruction.

**SECTION 13. AMENDMENT.** Section 15.1-21-02.5 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.5. North Dakota academic scholarship.**

Any resident student who graduates from a high school during or after the 2010-11 school year is eligible to receive a North Dakota academic scholarship provided the student ~~completes all requirements set forth in subsections 1 through 5 and subsection 7 of section 15.1-21-02.1 for a high school diploma and:~~

- 1. Completed four units of English language arts from a sequence that includes literature, composition, and speech;
- 2. Completed three units of mathematics, including:
  - a. ~~Completes one~~One unit of algebra II, as defined by the superintendent of public instruction, ~~in fulfillment of the mathematics requirement set forth in subsection 2 of section 15.1-21-02.1; and~~
  - b. ~~Completes one additional~~One unit of mathematics for which algebra II, as defined by the superintendent of public instruction, is a prerequisite; ~~and~~
- e.3. ~~Completes~~Completed three units of science, including:
  - a. One unit of physical science;
  - b. One unit of biology; and
  - c. (1) One unit of any other science; or  
 (2) Two one-half units of any other science;
- 4. Completed three units of social studies, including:
  - a. One unit of United States history;



- b. (1) One-half unit of United States government and one-half unit of economics; or
- (2) One unit of problems of democracy; and
- c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;
- 5. a. Completed one unit of physical education; or
- b. One-half unit of physical education and one-half unit of health;
- 6. a. Completed:
  - (1) Two units of the same foreign or native American language;
  - (2) One unit of fine arts or career and technical education American sign language; and
- (3)b. One unit of a foreign or native selected from:
  - (1) Foreign languages;
  - (2) Native American language, fine languages;
  - (3) American sign language;
  - (4) Fine arts, or career, or
  - (5) Career and technical education;
- 2. Obtains a grade of at least "C" in each unit or one-half unit required for the diploma;
- 3-7. Obtains Completed any five additional units, one of which must be in the area of fine arts or career and technical education;
- 8. a. (1) Obtained a cumulative grade point average of at least "B"3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based on all high school units in which the student was enrolled; and
- (2) Obtained a grade of at least "C" in each unit or one-half unit; or
- b. (1) Obtained a cumulative grade point average of at least 3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based only on the units required by subsections 1 through 7 of this section; and
- (2) Obtained a grade of at least "C" in each unit or one-half unit;
- 4-9. Receives Received a composite score of at least twenty-four on an ACT; and
- 5-10. a. Completes Fulfilled any one unit requirement set forth in subsections 1 through 7 of this section by means of an advanced placement course and examination; or

- b. Fullfilled any one-half unit requirement set forth in subsections 1 through 7 of this section by means of a dual-credit course.

**SECTION 14. AMENDMENT.** Section 15.1-21-02.6 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.6. North Dakota scholarship - Amount - Applicability.**

1. a. The state board of higher education shall provide to any student certified as being eligible by the superintendent of public instruction either a North Dakota academic scholarship or a North Dakota career and technical education scholarship in the amount of seven hundred fifty dollars for each semester during which the student is enrolled full time at an accredited institution of higher education in this state and maintains a cumulative grade point average of 2.75.
- b. The state board of higher education shall provide to any student certified as being eligible by the superintendent of public instruction either a North Dakota academic scholarship or a North Dakota career and technical education scholarship in the amount of five hundred dollars for each quarter during which the student is enrolled full time at an accredited institution of higher education in this state and maintains a cumulative grade point average of 2.75.
2. A student is not entitled to receive more than six thousand dollars under this section.
3. The state board of higher education shall forward the scholarship directly to the institution in which the student is enrolled.
4. a. (1) This section does not require a student to be enrolled in consecutive semesters.  
(2) This section does not require a student to be enrolled in consecutive quarters.
- b. However, a scholarship under this section is valid only for six academic years after the student's graduation from high school and may not be applied to graduate programs.
5. A scholarship under this section is available to any eligible student who graduates from a high school in this state or from a high school in a bordering state under chapter 15.1-29.

**SECTION 15.** A new section to chapter 15.1-21 of the North Dakota Century Code is created and enacted as follows:

**North Dakota scholarship - Eligibility - One-time exception.**

1. a. Notwithstanding section 15.1-21-02.6, if a student's cumulative grade point average as determined by the state board of higher education at the conclusion of a semester is below 2.75, the board shall grant an exception and provide the North Dakota scholarship to which the student would otherwise be entitled for the next semester in which the student is enrolled full time. The exception provided by this section is applicable to a student only one time.

- b. If a student's cumulative grade point average as determined by the state board of higher education at the conclusion of a semester is below 2.75 for a second time, the student is no longer eligible to receive any additional North Dakota scholarships.
- 2. a. Notwithstanding section 15.1-21-02.6, if a student's cumulative grade point average as determined by the state board of higher education at the conclusion of a quarter is below 2.75, the board shall grant an exception and provide the North Dakota scholarship to which the student would otherwise be entitled for the next quarter in which the student is enrolled full time. The exception provided by this section is applicable to a student only one time.
- b. If a student's cumulative grade point average as determined by the state board of higher education at the conclusion of a quarter is below 2.75 for a second time, the student is no longer eligible to receive any additional North Dakota scholarships.

**SECTION 16. AMENDMENT.** Section 15.1-21-08 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-08. Reading, mathematics, and science - Administration of test.**

- 1. The superintendent of public instruction shall administer to public school students a test that is aligned to the state content and achievement standards in reading and mathematics. This test must be administered to ~~all public school students in at least one grade level selected within each of the following grade spans: grades three through five; grades six through nine; and grades ten through twelve.~~ Beginning no later than the 2005-06 school year and annually thereafter, the superintendent of public instruction shall administer the reading and mathematics test annually to all public school students in grades three, four, five, six, seven, eight, and eleven.
- 2. ~~Beginning no later than the 2007-08 school year and annually thereafter,~~ The superintendent of public instruction shall administer a test that is aligned to the state content and achievement standards in science. This test must be administered to all public school students in at least one grade level selected from three through five; in at least one grade level selected from six through nine; and in grade eleven. The superintendent of public instruction may not administer the grade eleven test after December first of each school year.

**SECTION 17. AMENDMENT.** Section 15.1-21-18 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-18. Career interest inventory - Educational and career planning - Consultation.**

- 1. A school district shall administer to students, once during their enrollment in grade seven or eight and once during their enrollment in grade nine or ten, a career interest inventory recommended by the department of career and technical education and approved by the superintendent of public instruction.

- 2. At least once during the seventh or eighth grade, each school district shall arrange for students to participate in either an individual consultative process or a nine-week course, for the purpose of discussing the results of their career interest inventory, selecting high school courses appropriate to their educational pursuits and career interests, and developing individual high school education plans.
- 3. Each school district shall notify its high school students that, upon request, a student is entitled to receive a consultative review of the student's individual high school education plan at least once during each high school grade. Upon the request of a student, the school district shall provide the consultative review.
- 4. Each school district shall verify compliance with the requirements of this section at the time and in the manner required by the superintendent of public instruction.

**SECTION 18. AMENDMENT.** Section 15.1-21-19 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-19. Summative assessment - Selection - Cost - Exemptions.**

- 1. Except as otherwise provided, each public and nonpublic school student in grade eleven shall take the ACT, including the writing test, or three WorkKeys assessments recommended by the department of career and technical education and approved by the superintendent of public instruction. The student shall determine which summative assessment to take. ~~The student's school district of residence~~ superintendent of public instruction is responsible for the cost of procuring and administering one summative assessment and its administration per student.
- 2. The student's career advisor or guidance counselor shall meet with the student to review the student's assessment results.
- 3. A school district superintendent or a school administrator in the case of a nonpublic school student may exempt a student from the requirements of this section if taking the test is not required by the student's individualized education program plan or if other special circumstances exist.
- 4. ~~If the superintendent of public instruction determines that the cost of the summative assessment and its administration can be reduced through use of a state procurement process, the superintendent shall work with the school districts to procure and arrange for the administration of the assessment and shall withhold each district's share of the total cost from any state aid otherwise payable to the district.~~ At the time and in the manner determined by the superintendent of public instruction, each school district superintendent and each school administrator in the case of a nonpublic school shall report the number of eleventh grade students who:
  - a. Took the ACT, including the writing test;
  - b. Took the three WorkKeys assessments; and

- c. Were exempted from the requirements of this section, together with the reason for each exemption.

**SECTION 19. AMENDMENT.** Section 15.1-22-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-22-01. Kindergarten - Establishment by board - Request by parent - Levy.**

- 1. ~~Upon its own motion, the~~The board of a school district ~~may establish a free public kindergarten.~~
- 2. ~~If the board receives a written request to provide kindergarten from the parent of a student who will be enrolled in the kindergarten, the board shall either provide at least a half-day kindergarten program for the student~~any student enrolled in the district or pay the tuition required for the student to attend at least a half-day kindergarten program in another school district.
- ~~3.~~2. The board of a school district that establishes a kindergarten under this section may levy a tax pursuant to subdivision p of subsection 1 of section 57-15-14.2.

**SECTION 20. AMENDMENT.** Section 15.1-27-03.1 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-03.1. ~~(Effective through June 30, 2011) Weighted average daily membership - Determination.~~**

- 1. ~~For each school district, the superintendent of public instruction shall multiply by:~~
  - a. ~~1.00 the number of full-time equivalent students enrolled in a migrant summer program;~~
  - b. ~~1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;~~
  - c. ~~0.60 the number of full-time equivalent students enrolled in a summer education program;~~
  - d. ~~0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;~~
  - e. ~~0.30 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and are enrolled in a program of instruction for English language learners;~~
  - f. ~~0.25 the number of full-time equivalent students enrolled in an alternative high school;~~
  - g. ~~0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
  - h. ~~0.25 the number of full-time equivalent students enrolled in an isolated high school;~~

- i. ~~0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-04;~~
  - j. ~~0.20 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be not proficient and are enrolled in a program of instruction for English language learners;~~
  - k. ~~0.17 the number of full-time equivalent students enrolled in an early childhood special education program;~~
  - t. ~~0.07 the number of students enrolled in average daily membership, in order to support the provision of special education services;~~
  - m. ~~0.07 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be somewhat proficient and are enrolled in a program of instruction for English language learners;~~
  - n. ~~0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; and~~
  - o. ~~0.002 the number of students enrolled in average daily membership, in order to support technology.~~
2. ~~The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.~~

**~~(Effective after June 30, 2014) Weighted average daily membership - Determination.~~**

- 1. For each school district, the superintendent of public instruction shall multiply by:
  - a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;
  - b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;
  - c. 0.60 the number of full-time equivalent students enrolled in a summer education program;
  - d. 0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;
  - e. 0.30 the number of full-time equivalent students who ~~on~~:
    - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and placed in the first of six categories of proficiency; and are
    - (2) Are enrolled in a program of instruction for English language learners;

- f. 0.25 the number of full-time equivalent students enrolled in an alternative high school;
- g. ~~0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
- h. ~~0.25 the number of full-time equivalent students enrolled in an isolated high school;~~
- i. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;
- ~~j-h.~~ 0.20 the number of full-time equivalent students who ~~are~~:
  - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be ~~not~~more proficient than students placed in the first of six categories of proficiency and therefore placed in the second of six categories of proficiency; and are
  - (2) Are enrolled in a program of instruction for English language learners;
- ~~k-i.~~ 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;
- ~~t-j.~~ ~~0-070.10~~ the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average daily membership and the district consists of an area greater than two hundred seventy-five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students in average daily membership must be deemed to have an enrollment equal to fifty students in average daily membership;
- k. 0.073 the number of students enrolled in average daily membership, in order to support the provision of special education services;
- ~~m-l.~~ 0.07 the number of full-time equivalent students who ~~are~~:
  - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be ~~somewhat~~more proficient and ~~are~~than students placed in the second of six categories of proficiency and therefore placed in the third of six categories of proficiency;
  - (2) Are enrolled in a program of instruction for English language learners; and
  - (3) Have not been in the third of six categories of proficiency for more than three years;
- ~~n-m.~~ 0.025 the number of students representing that percentage of the total number of students in average daily membership which is equivalent to the three-year average percentage of students in grades three through eight who are eligible for free or reduced lunches under the

Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.];

- n. 0.006 the number of students enrolled in average daily membership in each public school in the district that:
    - (1) Has acquired and is utilizing the PowerSchool student information system;
    - (2) Has acquired and is in the process of implementing the PowerSchool student information system; or
    - (3) Will acquire the PowerSchool student information system during the current school year, provided the acquisition is contractually demonstrated; and
  - o. 0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; and
  - ~~p. 0.002 the number of students enrolled in average daily membership, in order to support technology.~~
2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.

**SECTION 21. AMENDMENT.** Section 15.1-27-04 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-04. Per student payment rate.**

- 1. a. The per student payment rate to which each school district is entitled for the first year of the biennium is three thousand ~~two~~nine hundred ~~thirty~~ dollars.
- b. The per student payment rate to which each school district is entitled for the second year of the biennium is three thousand ~~seven~~nine hundred ~~seventy-nine~~seventy dollars.
- 2. In order to determine the state aid payment to which each district is entitled, the superintendent of public instruction shall multiply each district's weighted student units by the per student payment rate set forth in subsection 1.

**SECTION 22. AMENDMENT.** Section 15.1-27-07.2 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-07.2. Baseline funding - Determination - Minimum and maximum allowable increases.**

- 1. The superintendent of public instruction shall determine each school district's baseline funding per weighted student unit by:
  - a. Adding together all state aid received by the district during the 2006-07 school year;



- b. Subtracting the amount received by the district during the 2006-07 school-year for transportation aid, special education excess cost reimbursements, special education contracts, prior year funding adjustments, and per student payments for participation in educational associations governed by joint powers agreements; and
  - c. Dividing the amount determined under subdivision b by the district's 2007-08 weighted student units.
2. a. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, for the 2009-10 school year, is at least equal to one hundred eight percent of the baseline funding per weighted student unit, as established in subsection 1.
    - b. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, for each school year after the 2009-10 school year, is at least equal to one hundred twelve and one-half percent of the baseline funding per weighted student unit, as established in subsection 1.
  3. a. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, less any amount received as equity payments under section 15.1-27-11 per weighted student unit, does not exceed, for the ~~2009-10~~2011-12 school year, one hundred ~~twenty~~forty-two percent of the baseline funding per weighted student unit, as established in subsection 1.
    - b. ~~The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, less any amount received as equity payments under section 15.1-27-11 per weighted student unit, does not exceed, for each school year after the 2009-10 school year, one hundred thirty four percent of the baseline funding per weighted student unit, as established in subsection 1.~~

**SECTION 23. AMENDMENT.** Section 15.1-27-11 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-11. Equity payments.**

1. The superintendent of public instruction shall:
  - a. Divide the imputed taxable valuation of the state by the total average daily membership of all school districts in the state in order to determine the state average imputed taxable valuation per student.
  - b. Divide the imputed taxable valuation of each school district by the district's total average daily membership in order to determine each district's average imputed taxable valuation per student.
2. If a school district's imputed taxable valuation per student is less than ninety percent of the statewide imputed taxable valuation per student, the superintendent of public instruction shall calculate the valuation deficiency by:

- a. Determining the difference between ninety percent of the state average imputed taxable valuation per student and the district's average imputed taxable valuation per student; and
  - b. Multiplying that difference by the district's total average daily membership.
3. Except as provided in subsection 4, the equity payment to which a district is entitled under this section equals the district's valuation deficiency multiplied by the lesser of:
- a. The district's general fund levy for the taxable year 2008; or
  - b. One hundred eighty-five mills.
4. a. The equity payment to which a district is entitled may not exceed the district's taxable valuation multiplied by its general fund levy for the taxable year 2008.
- b. If a district's general fund levy for the taxable year 2008 is less than one hundred eighty-five mills, the superintendent of public instruction shall subtract the district's general fund levy for the taxable year 2008 from one hundred eighty-five mills, multiply the result by the district's taxable valuation, and subtract that result from the equity payment to which the district is otherwise entitled.
- c. If a district's imputed taxable valuation per student is less than fifty percent of the statewide imputed taxable valuation per student, the payment to which the district is entitled under this section may not be less than twenty percent of the statewide imputed taxable valuation per student times the school district's average daily membership, multiplied by one hundred eighty-five mills.
5. In determining the amount to which a school district is entitled under this section, the superintendent of public instruction may not include any payments received by the district as a result of Public Law No. 81-874 [64 Stat. 1100; 20 U.S.C. 236 et seq.] and may not include in the district's average daily membership students who are dependents of members of the armed forces and students who are dependents of civilian employees of the department of defense.
6. In determining the statewide average imputed taxable valuation per student for purposes of this section, the superintendent of public instruction may not include:
- a. Any school district, which if included in the calculation would have an imputed taxable valuation per student that is three times greater than the statewide average imputed taxable valuation per student; and
  - b. Any school district, which if included in the calculation would have an imputed taxable valuation per student that is less than one-fifth of the statewide average imputed taxable valuation per student.
7. For purposes of this section:
- a. "General fund levy" includes a district's high school transportation levy and its high school tuition levy.

- b. "Imputed taxable valuation" means the valuation of all taxable real property in the district plus:
  - (1) An amount determined by dividing seventy percent of the district's mineral and tuition revenue, revenue from payments in lieu of property taxes on distribution and transmission of electric power, revenue from payments in lieu of taxes from electricity generated from sources other than coal, and revenue received on account of the leasing of lands acquired by the United States for flood control, navigation, and allied purposes in accordance with 33 U.S.C. 701c-3 by the district's general fund mill levy for the taxable year 2008; and
  - (2) An amount determined by dividing the district's revenue from mobile home taxes and telecommunications taxes by the district's general fund mill levy for the taxable year 2008.
- c. "Mineral revenue" includes all revenue from county sources reported under code 2000 of the North Dakota school district financial accounting and reporting manual as developed by the superintendent of public instruction in accordance with section 15.1-02-08.
- d. "Tuition revenue" includes all revenue reported under code 1300 of the North Dakota school district financial accounting and reporting manual as developed by the superintendent of public instruction in accordance with section 15.1-02-08. "Tuition revenue" does not include tuition income received specifically for the operation of an educational program provided at a residential treatment facility.

**SECTION 24. AMENDMENT.** Section 15.1-27-35.3 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-35.3. ~~(Effective through June 30, 2011) Payments to school districts—Unobligated general fund balance—Report to legislative council.~~**

- 1. ~~The superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of fifty percent of its actual expenditures, plus twenty thousand dollars. Beginning July 1, 2008, the superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty five percent of its actual expenditures, plus twenty thousand dollars.~~
- 2. In making the determination required by subsection 1, the superintendent of public instruction may not include in a district's unobligated general fund balance any moneys that:
  - a. (1) ~~Were received by the district during the school year ending June 30, 2009, on account of the leasing of lands acquired by the United States for flood control, navigation, and allied purposes in accordance with 33 U.S.C. 701c-3; and~~

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- (2) Exceeded the amount received by the district during the school year ending June 30, 2008, for the purpose stated in paragraph 1;
  - b. Were received directly by the district from the United States government in accordance with the American Recovery and Reinvestment Act of 2009; or
  - c. Were received by the district as supplemental one-time grants under section 52 of S.L. 2009, ch. 175.
3. Any district having more than fifty thousand dollars excluded in the determination of its ending fund balance, as required by subsection 2, shall provide a report to the legislative council. The report, which must be presented at the time and in the manner directed by the legislative council, must address how the money was expended, including the number of mills by which the district was able to decrease its property taxes, if such was a permitted use.

**(Effective after June 30, 2011) Payments to school districts - Unobligated general fund balance.**

- 1. The superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of fifty percent of its actual expenditures, plus twenty thousand dollars. Beginning July 1, 2008, the superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty-five percent of its actual expenditures, plus twenty thousand dollars.
- 2. In making the determination required by subsection 1, the superintendent of public instruction may not include in a district's unobligated general fund balance any moneys that were received by the district from the federal education jobs fund program.

**SECTION 25.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Supplemental teacher-effectiveness compensation plan.**

- 1. A representative organization authorized by a negotiating unit, as defined in subdivision b of subsection 2 of section 15.1-16-01, and the board of a school district may agree to pursue a supplemental teacher-effectiveness compensation plan for teachers in the negotiating unit.
- 2. The negotiating unit may include:
  - a. All teachers employed by the board to teach in the school district; or
  - b. All teachers employed by the board to teach at a particular school in the district.

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- 3. For purposes of this section and the implementation of the supplemental teacher-effectiveness compensation plan, "teacher" means an individual defined in subdivision b of subsection 6 of section 15.1-02-13.

**SECTION 26.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Supplemental teacher-effectiveness compensation plan - Development committee - Membership.**

- 1. Upon agreeing to pursue a supplemental teacher-effectiveness compensation plan, the board of the school district and the representative organization shall form a committee to develop the plan. The membership of the committee must be agreed upon by the board of the school district and the representative organization.
- 2. At the initial meeting of the committee, the members shall establish rules of operation and procedure.
- 3. The committee formed under this section is a public entity for purposes of chapter 44-04.

**SECTION 27.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Supplemental teacher-effectiveness compensation plan - Required content.**

- 1. A supplemental teacher-effectiveness compensation plan developed under this section must:
  - a. Include only matters of compensation and may not include other terms or conditions of employment normally negotiated under chapter 15.1-16;
  - b. Provide for a determination of compensation that takes into account:
    - (1) Whether the school district has had difficulty filling a particular position with a suitable and highly qualified teacher;
    - (2) Whether a teacher has advanced academic degrees or special skills and knowledge beyond those minimally required for a position;
    - (3) Whether a teacher has pursued certified professional development activities beyond those minimally required for a position;
    - (4) Whether a teacher has assumed responsibilities that are beyond those minimally required for a position; and
    - (5) Various measures of student growth, including academic growth;
  - c. Include a rigorous and objective system of teacher evaluation that equitably links an individual's performance to the opportunity for additional compensation; and

- d. Ensure that no teacher subject to the plan will receive less total compensation than that teacher was eligible to receive under the last contract negotiated under chapter 15.1-16.
- 2. A supplemental teacher-effectiveness compensation plan is not subject to a declaration of impasse under chapter 15.1-16.

**SECTION 28.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Supplemental teacher-effectiveness compensation plan - Review panel - Duties.**

- 1. Upon agreeing to a supplemental teacher-effectiveness compensation plan, the plan development committee shall forward the plan to a panel consisting of:
  - a. Two employees of the department of public instruction, selected by the superintendent of public instruction;
  - b. Two individuals appointed by the North Dakota council of educational leaders;
  - c. Two individuals appointed by the North Dakota education association; and
  - d. Two individuals appointed by the North Dakota school boards association.
- 2. Beginning April 1, 2012, the panel shall review each plan that is submitted to ensure that it meets the requirements of section 27 of this Act.

**SECTION 29.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Supplemental teacher-effectiveness compensation plan - Review panel - Additional duties.**

In addition to the duties set forth in section 28 of this Act, the review panel shall:

- 1. Develop and distribute guidelines pertaining to the creation of supplemental teacher-effectiveness compensation plans;
- 2. Upon request meet with and advise plan development committees pursuing the creation of supplemental teacher-effectiveness compensation plans; and
- 3. Provide advice to the superintendent of public instruction regarding the hiring of any employees or the selection of any contractors whose duties will be related to supplemental teacher-effectiveness compensation.

**SECTION 30.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Annual report - Required content.**

1. Any school district that receives state moneys to implement a supplemental teacher-effectiveness compensation plan shall file an annual report with the superintendent of public instruction, at the time and in the manner directed by the superintendent. The report must address whether the plan has:
  - a. Alleviated difficulty filling particular positions with suitable and highly qualified teachers;
  - b. Encouraged teachers to pursue advanced academic degrees or acquire special skills and knowledge beyond those minimally required for a position;
  - c. Encouraged teachers to pursue certified professional development activities beyond those minimally required for a position;
  - d. Encouraged teachers to assume additional responsibilities that are beyond those minimally required for a position; and
  - e. Resulted in measurable student growth, including academic growth.
2. The report also must include suggestions for modifications to the plan, if appropriate.
3. The representative organization shall indicate in writing its agreement with the report and the suggestions for modifications, as submitted by the school district in accordance with this section, or provide to the superintendent of public instruction a separate report together with any suggestions for modifications.
4. The superintendent of public instruction shall provide copies of the report to the plan review panel established by section 28 of this Act.

**SECTION 31.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Existing contracts - Terms - Effect.**

1. The terms of any contract entered before July 1, 2011, between the board of a school district and a representative organization in accordance with chapter 15.1-16, remain in force and effect for the duration of the contract.
2. A supplemental teacher-effectiveness compensation plan authorized by this Act may take effect on July 1, 2012.

**SECTION 32.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Plan review panel - Reimbursement for expenses.**

Each member of the supplemental teacher-effectiveness compensation plan review panel is entitled to receive reimbursement for expenses as provided by law for state officials if the member is attending meetings or performing duties directed by the panel.

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**SECTION 33. AMENDMENT.** Section 15.1-36-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-36-02. School construction projects - Loans.**

1. The board of university and school lands may authorize the use of moneys in the coal development trust fund established pursuant to section 21 of article X of the Constitution of North Dakota and subsection 1 of section 57-62-02 to provide school construction loans, as described in this chapter. The outstanding principal balance of loans under this chapter may not exceed fifty million dollars. The board may adopt policies and rules governing school construction loans.
2. In order to be eligible for a loan under this section, the board of a school district shall:
  - a. Propose a construction project with a cost of at least one million dollars and an expected utilization of at least thirty years;
  - b. Obtain the approval of the superintendent of public instruction for the construction project under section 15.1-36-01; and
  - c. Submit to the superintendent of public instruction an application containing all information deemed necessary by the superintendent, including potential alternative sources or methods of financing the construction project.
3. The superintendent of public instruction shall give priority to any district that meets the requirements for receipt of an equity payment under section 15.1-27-11.
4. If an eligible school district's imputed taxable valuation per student is less than eighty percent of the state average imputed valuation per student, the district is entitled to receive:
  - a. A school construction loan equal to the lesser of eighttwelve million dollars or eighty percent of the actual project cost;
  - b. An interest rate discount equal to at least fiftyone hundred but not more than two hundred fifty basis points below the prevailing tax-free bond rates; and
  - c. A term of repayment that may extend up to twenty years.
5. If an eligible school district's imputed taxable valuation per student is equal to at least eighty percent but less than ninety percent of the state average imputed taxable valuation per student, the district is entitled to receive:
  - a. A school construction loan equal to the lesser of seventen million dollars or seventy percent of the actual project cost;
  - b. An interest rate buydown equal to at least fiftyone hundred but not more than two hundred fifty basis points below the prevailing tax-free bond rates; and
  - c. A term of repayment that may extend up to twenty years.



- 6. If an eligible school district's imputed taxable valuation per student is equal to at least ninety percent of the state average imputed taxable valuation per student, the district is entitled to receive:
  - a. A school construction loan equal to the lesser of ~~two~~four million-five hundred-thousand dollars or thirty percent of the actual project cost;
  - b. An interest rate discount equal to at least ~~forty~~one hundred but not more than two hundred fifty basis points below the prevailing tax-free bond rates; and
  - c. A term of repayment that may extend up to twenty years.
- 7. The board of a school district may submit its loan application to the superintendent of public instruction before or after receiving authorization of a bond issue in accordance with chapter 21-03. If the vote to authorize a bond issue precedes the application for a loan, the application must be acted upon by the superintendent expeditiously but no later than one hundred eighty days from the date it is received by the superintendent.
- 8. The superintendent of public instruction shall consider each loan application in the order it received approval under section 15.1-36-01.
- 9. If the superintendent of public instruction approves the loan, the superintendent may determine the loan amount, the term of the loan, and the interest rate, in accordance with the requirements of this section.
- 10. The superintendent of public instruction may adopt rules governing school construction loans.
- 11. For purposes of this section, a construction project means the purchase, lease, erection, or improvement of any structure or facility by a school board, provided the acquisition or activity is within a school board's authority.

**SECTION 34. AMENDMENT.** Section 15.1-37-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-37-01. Early childhood education program - Approval.**

- 1. Any person or school district operating an early childhood education program may request approval of the program from the superintendent of public instruction. The superintendent shall approve an early childhood education program if the program:
  - ~~4-~~a. Is taught by individuals who are licensed to teach in early childhood education by the education standards and practices board;
  - ~~2-~~b. Follows a developmentally appropriate curriculum; ~~and~~
  - ~~3-~~c. Is in compliance with all municipal and state health, fire, and safety requirements; ~~and~~
  - d. Limits its enrollment to children who have reached the age of four before August first in the year of enrollment.

2. ~~Per student funding will not be provided to individuals or school districts offering a prekindergarten.~~ In determining the state aid payments to which a school district is entitled, the superintendent of public instruction may not count any student enrolled in a regular early childhood education program.

**SECTION 35. AMENDMENT.** Subsection 1 of section 15.1-37-02 of the North Dakota Century Code is amended and reenacted as follows:

1. The North Dakota early childhood education council consists of:
  - a. A chairman appointed by the governor;
  - b. The superintendent of public instruction, or the superintendent's designee;
  - c. The state health officer, or the officer's designee;
  - d. The director of the department of human services, or the director's designee;
  - e. The North Dakota head start - state collaboration administrator, or the administrator's designee;
  - f. The commissioner of higher education, or the commissioner's designee;
  - g. The commissioner of commerce, or the commissioner's designee;
  - h. The chairman of the senate education committee, or the chairman's designee;
  - ~~h.i.~~ i. The chairman of the house of representatives education committee, or the chairman's designee; and
  - ~~h.j.~~ j. The following gubernatorial appointees:
    - (1) The superintendent of a school district having at least one thousand students in average daily membership;
    - (2) The superintendent of a school district having fewer than one thousand students in average daily membership;
    - (3) The superintendent of a school district headquartered on a reservation or including reservation land within its boundaries;
    - (4) ~~The principal of a school district;~~
    - (5) ~~An individual employed as an elementary school teacher;~~
    - (6) An individual representing a non-religious-based provider of ~~preschool~~early childhood education;
    - ~~(7)~~(5) An individual representing a religious-based provider of ~~preschool~~early childhood education;
    - ~~(8)~~(6) An individual representing a center-based licensed child care provider;
    - ~~(9)~~(7) An individual representing a home-based licensed child care provider;

- ~~(10)~~(8) An individual representing a reservation-based head start program;
- ~~(14)~~(9) An elected member of a school board;
- ~~(12)~~(10) The parent of a child not yet enrolled in elementary school; and
- ~~(13)~~(11) The parent of a child with special-needs disabilities not yet enrolled in elementary school; and
- (12) An individual representing children with disabilities.

**SECTION 36. AMENDMENT.** Section 15.1-37-03 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-37-03. Council - Duties.**

The council shall:

1. Review the delivery availability and provision of early childhood education, care, and services in this state;
2. ~~Conduct a needs assessment;~~
3. ~~Review early childhood education standards and propose revisions to the standards as needed;~~
4. ~~Review~~Identify opportunities for public and private sector collaboration in the delivery provision of early childhood education, care, and services in this state;
5. ~~Develop a comprehensive plan governing the delivery of early childhood education in this state; and~~
- 6-3. Identify ways to assist with the recruitment and retention of individuals interested in working as providers of early childhood education, care, and services, including training and continuing education or professional development opportunities;
4. Seek the advice and guidance of individuals who are uniquely familiar with the nature, scope, and associated challenges of providing early childhood education, care, and services in geographically and socioeconomically diverse settings, and develop recommendations pertaining to the short-term and longer-term improvement and expansion of early childhood education, care, and services in this state; and
5. Provide a biennial report regarding its activities findings and recommendations to the governor and the legislative council assembly.

**SECTION 37. AMENDMENT.** Section 57-15-14 of the North Dakota Century Code is amended and reenacted as follows:

**57-15-14. General fund levy limitations in school districts.**

The aggregate amount levied each year for the purposes listed in section 57-15-14.2 by any school district, except the Fargo school district, may not exceed the

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amount in dollars which the school district levied for the prior school year plus twelve percent up to a general fund levy of one hundred eighty-five mills on the dollar of the taxable valuation of the district, except that:

1. In any school district having a total population in excess of four thousand according to the last federal decennial census there may be levied any specific number of mills that upon resolution of the school board has been submitted to and approved by a majority of the qualified electors voting upon the question at any regular or special school district election.
2. In any school district having a total population of fewer than four thousand, there may be levied any specific number of mills that upon resolution of the school board has been approved by fifty-five percent of the qualified electors voting upon the question at any regular or special school election.
3. After June 30, 2009, in any school district election for approval by electors of increased levy authority under subsection 1 or 2, the ballot must specify the number of mills proposed for approval, and the number of taxable years for which that approval is to apply. After June 30, 2009, approval by electors of increased levy authority under subsection 1 or 2 may not be effective for more than ten taxable years.
4. The authority for a levy of up to a specific number of mills under this section approved by electors of a school district before July 1, 2009, is terminated effective for taxable years after 2015. If the electors of a school district subject to this subsection have not approved a levy for taxable years after 2015 of up to a specific number of mills under this section by December 31, 2015, the school district levy limitation for subsequent years is subject to the limitations under section 57-15-01.1 or this section.
5. The authority for an unlimited levy approved by electors of a school district before July 1, 2009, is terminated effective for taxable years after 2015. If the electors of a school district subject to this subsection have not approved a levy of up to a specific number of mills under this section by December 31, 2015, the school district levy limitation for subsequent years is subject to the limitations under section 57-15-01.1 or this section.
6. A school district that experiences a rapidly increasing taxable valuation may levy, for the taxable year of the rapidly increasing taxable valuation and the next taxable year, the amount in dollars which the school district levied for the prior school year plus eighteen percent, up to a general fund levy of one hundred eighty-five mills on the dollar of the taxable valuation of the district. For purposes of this subsection, "rapidly increasing taxable valuation" means an increase of twenty percent or more in taxable valuation from the immediately preceding taxable year.

The question of authorizing or discontinuing such specific number of mills authority in any school district must be submitted to the qualified electors at the next regular election upon resolution of the school board or upon the filing with the school board of a petition containing the signatures of qualified electors of the district equal in number to ten percent of the number of electors who cast votes in the most recent election in the school district. However, not fewer than twenty-five signatures are required. However, the approval of discontinuing such authority does not affect the tax levy in the calendar year in which the election is held. The election must be held in the same

manner and subject to the same conditions as provided in this section for the first election upon the question of authorizing the mill levy.

**SECTION 38. ISOLATED SCHOOLS - TRANSITION PAYMENTS.**

1. If during the 2010-11 school year a school district received payments as a result of section 15.1-27-15, as the section existed on June 30, 2011, and if that district is not eligible for the factor established under subdivision j of subsection 1 of section 15.1-27-03.1, the district is entitled to the following transition payments:
  - a. For the 2011-12 school year, an amount equal to that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011;
  - b. For the 2012-13 school year, an amount equal to seventy-five percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011;
  - c. For the 2013-14 school year, an amount equal to fifty percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011; and
  - d. For the 2014-15 school year, an amount equal to twenty-five percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011.
2. Upon the closure of a school that met the definition of isolated under section 15.1-27-15, as it existed on June 30, 2011, the superintendent of public instruction shall cease to provide to the district the transition payments established under subsection 1.

**SECTION 39. TRANSPORTATION GRANTS - DISTRIBUTION.**

1. During each year of the 2011-13 biennium, the superintendent of public instruction shall calculate the payment to which each school district is entitled based on the state transportation formula as it existed on June 30, 2001, except that the superintendent shall provide reimbursement at the rate of:
  - a. One dollar and three cents per mile for schoolbuses having a capacity of ten or more passengers;
  - b. Forty-six cents per mile for vehicles having a capacity of nine or fewer passengers;
  - c. Forty-six cents per mile, provided:
    - (1) The student being transported is a student with a disability, as defined in chapter 15.1-32;
    - (2) The student's individualized education program plan requires that the student attend a public or a nonpublic school located outside the student's school district of residence;
    - (3) The student is transported by an adult member of the student's family;

- (4) The student is transported in a vehicle furnished by the student's parents;
  - (5) The student's transportation is paid for by the student's parents; and
  - (6) The reimbursement does not exceed two round trips daily between the student's home and school.
- d. Forty-six cents per mile, one way, provided:
- (1) The student being transported resides more than two miles from the public school that the student attends;
  - (2) The student is transported by an adult member of the student's family;
  - (3) The student is transported in a vehicle furnished by the student's parents; and
  - (4) The student's transportation is paid for by the student's parents; and
- e. Twenty-six cents per student for each one-way trip.
- 2. The superintendent of public instruction shall use the latest available student enrollment count in each school district in applying the provisions of subsection 1.
  - 3. If any moneys provided for transportation payments in the grants transportation line item in the appropriation bill for the superintendent of public instruction, as approved by the sixty-second legislative assembly, remain after application of the formula provided for in this section, the superintendent of public instruction shall prorate the remaining amounts according to the percentage of the total transportation formula amount to which each school district is entitled.
  - 4. This section does not authorize the reimbursement of any costs incurred in providing transportation for student attendance at extracurricular activities or events.

**SECTION 40. SCHOOL DISTRICT RAPID ENROLLMENT GROWTH - GRANT.** During the 2011-13 biennium, the superintendent of public instruction shall expend up to \$5,000,000 from the grants - other grants line item in the appropriation bill for the superintendent of public instruction, as approved by the sixty-second legislative assembly, for the purpose of providing a grant to any school district that can demonstrate rapid enrollment growth in accordance with this section.

- 1. If the number of full-time equivalent students enrolled in a school district has increased by at least three percent annually and if that increase is equal to at least twenty-five full-time equivalent students, as demonstrated by the district's September tenth fall enrollment report, the district is entitled to receive a grant equal to thirty percent of the per student payment provided for in section 15.1-27-04 multiplied by the actual increase in its full-time equivalent student enrollment.

2. If the number of full-time equivalent students enrolled in a school district has increased by at least seven percent annually and if that increase is equal to at least twenty-five full-time equivalent students, as demonstrated by the district's September tenth fall enrollment report, the district is entitled to receive a grant equal to seventy percent of the per student payment provided for in section 15.1-27-04 multiplied by the actual increase in its full-time equivalent student enrollment.
3. If the number of full-time equivalent students enrolled in a school district has increased by at least thirteen percent annually and if that increase is equal to at least twenty-five full-time equivalent students, as demonstrated by the district's September tenth fall enrollment report, the district is entitled to receive a grant equal to the per student payment provided for in section 15.1-27-04 multiplied by the actual increase in its full-time equivalent student enrollment.
4. If the amount of the expenditure provided for in this section is insufficient to meet the obligations of this section, the superintendent of public instruction shall prorate the payment based on the percentage of the total amount to which each school district is entitled.
5. A district may not receive more than \$800,000 annually in accordance with this section.

**SECTION 41. SUPPLEMENTAL TEACHER-EFFECTIVENESS COMPENSATION PLAN - GRANT.** During the 2011-13 biennium, the superintendent of public instruction shall expend up to \$700,000 from the grants - other grants line item in the appropriation bill for the superintendent of public instruction, as approved by the sixty-second legislative assembly for the purpose of providing a grant to any school district that submits an eligible supplemental teacher-effectiveness compensation plan in accordance with section 27 of this Act.

1. The amount of the grant to which a district is entitled must provide reimbursement for any costs the district incurred in developing the plan.
2. If providing the grants to each eligible district would exceed the expenditure authorized by this section, the superintendent of public instruction, with the advice of the review panel, shall select districts of varying size to receive the grants and shall prioritize the grants based on those plans that show the greatest potential to increase teacher-effectiveness through supplemental compensation. For purposes of this subsection, the superintendent of public instruction shall consider a district to be:
  - a. Small, if it has fewer than one thousand weighted student units;
  - b. Medium, if it has at least one thousand but fewer than five thousand weighted student units; and
  - c. Large, if it has at least five thousand weighted student units.

**SECTION 42. USE OF NEW MONEY - TEACHER COMPENSATION INCREASES - REPORTS TO THE LEGISLATIVE MANAGEMENT.**

1. During the 2011-13 biennium, the board of each school district shall use an amount equal to at least seventy percent of all new money received by the district for per student payments to increase the compensation paid to teachers and to provide compensation to teachers who begin employment with the district on or after July 1, 2011.
2. For purposes of this section, the superintendent of public instruction shall calculate the amount of new money received by a district during the 2011-13 biennium by:
  - a. Determining the total amount of state dollars received by each district during the 2009-11 biennium as per student payments, provided that equity payments, transportation payments, contingency distributions, mill levy reduction payments, and technology support payments are not to be included in the total;
  - b. Determining the total amount of state dollars received by each district during the 2011-13 biennium as per student payments, provided that the following are not to be included in the total:
    - (1) Contingent distributions;
    - (2) Cross-border attendance moneys;
    - (3) Deferred maintenance and physical plant improvements grants;
    - (4) Equity payments;
    - (5) Federal education jobs funds program moneys;
    - (6) Home-based education program monitoring moneys;
    - (7) Mill levy reduction payments;
    - (8) PowerSchool acquisition, implementation, and utilization moneys;
    - (9) Regional education association moneys and grants; and
    - (10) Transportation payments; and
  - c. Subtracting the amount arrived at under subdivision a from the amount arrived at under subdivision b.
3. School districts providing educational services under a cooperative agreement approved by the superintendent of public instruction must, for purposes of this section, be treated as a single district.
4. a. This section does not apply to a school district if the board of the school district, after a public hearing at which public testimony and documentary evidence are accepted, determines in its discretion and by an affirmative vote of two-thirds of the members of the board that complying with subsection 1 would place the school district in the position of having insufficient fiscal resources to meet the school district's other obligations.



- b. Within ten days of the vote required by subdivision a, the school board shall notify the superintendent of public instruction of its action and shall file a report detailing the grounds for its determination and action.
- c. The superintendent of public instruction shall report all notices received under this subsection to the legislative management.

**SECTION 43. CONTINGENT MONEY.** If any money appropriated to the superintendent of public instruction for state aid payments to school districts remains after the superintendent complies with all statutory payment obligations imposed for the biennium beginning July 1, 2011, and ending June 30, 2013, the superintendent shall use the remaining moneys to provide additional per student payments on a prorated basis according to the latest available average daily membership of each school district.

**SECTION 44. CONTINGENT TRANSFER BY BANK OF NORTH DAKOTA FOR SPECIAL EDUCATION.** If during the biennium beginning July 1, 2011, and ending June 30, 2013, the superintendent of public instruction determines that, using all available sources, there are insufficient funds with which to fully reimburse school districts for the excess costs of serving the one percent of special education students statewide who require the greatest school district expenditures in order to be provided with special education and related services, the industrial commission shall transfer from the earnings and accumulated and undivided profits of the Bank of North Dakota the amount the superintendent of public instruction certifies is necessary to provide the statutorily required level of reimbursement. The superintendent of public instruction shall file for introduction legislation requesting that the sixty-third legislative assembly return any amount transferred under this section to the Bank of North Dakota.

**SECTION 45. LEGISLATIVE MANAGEMENT STUDY - ADULT EDUCATION.** During the 2011-12 interim, the legislative management shall consider studying the provision and funding of adult education. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-third legislative assembly.

**SECTION 46. EDUCATION FUNDING AND TAXATION COMMITTEE - STUDY.**

- 1. The education funding and taxation committee consists of:
  - a. The following nine voting members:
    - (1) The chairman of the house education committee, or the chairman's designee;
    - (2) The chairman of the house finance and taxation committee, or the chairman's designee;
    - (3) The chairman of the senate education committee, or the chairman's designee;
    - (4) The chairman of the senate finance and taxation committee, or the chairman's designee; and
    - (5) Five legislators appointed by the chairman of the legislative management; and
  - b. The following five nonvoting members:

- (1) The tax commissioner or the commissioner's designee;
  - (2) The superintendent of public instruction or the superintendent's designee;
  - (3) A representative of the governor, selected by the governor; and
  - (4) Two school district business managers, appointed by the legislative management.
2. The chairman of the legislative management shall select one from among the voting members to serve as the chairman of the committee.
  3. The committee shall operate according to the statutes and procedure governing the operation of other legislative management interim committees.
  4. The committee shall examine short-term and longer-term state and local involvement in funding elementary and secondary education. The committee shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the legislative management.

**SECTION 47. REPEAL.** Section 6 of this Act and sections 15.1-18.2-01, 15.1-18.2-02, and 15.1-18.2-03 of the North Dakota Century Code are repealed.

**SECTION 48. REPEAL.** Section 15.1-27-15 of the North Dakota Century Code is repealed.

**SECTION 49. EFFECTIVE DATE.** Section 47 of this Act becomes effective on July 1, 2013."

Renumber accordingly

Date: 4/8/11  
Roll Call Vote #: 1

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. SB 2150

House Appropriations Committee

Legislative Council Amendment Number 11.0208.07032

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

Motion Made By Rep. Skarphol Seconded By Rep. Monson

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer			Representative Nelson		
Vice Chairman Kempenich			Representative Wieland		
Representative Pollert					
Representative Skarphol					
Representative Thoreson			Representative Glassheim		
Representative Bellew			Representative Kaldor		
Representative Brandenburg			Representative Kroeber		
Representative Dahl			Representative Metcalf		
Representative Dosch			Representative Williams		
Representative Hawken					
Representative Klein					
Representative Kreidt					
Representative Martinson					
Representative Monson					

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

Absent 1

Floor Assignment \_\_\_\_\_

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

*Vote done by voice vote -  
Motion carries*

Date: 4/8/11

Roll Call Vote #: 2

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2150

House Appropriations Committee

Legislative Council Amendment Number voice amendment

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

Motion Made By Rep. J. Nelson Seconded By Rep. Dahl

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer			Representative Nelson		
Vice Chairman Kempenich			Representative Wieland		
Representative Pollert					
Representative Skarphol					
Representative Thoreson			Representative Glassheim		
Representative Bellew			Representative Kaldor		
Representative Brandenburg			Representative Kroeber		
Representative Dahl			Representative Metcalf		
Representative Dosch			Representative Williams		
Representative Hawken					
Representative Klein					
Representative Kreidt					
Representative Martinson					
Representative Monson					

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

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

further amend. 07032 to remove section 40

voice vote fails

Motion fails

Date: 4/8/11

Roll Call Vote #: 3

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2150

House Appropriations Committee

Legislative Council Amendment Number voice amendment

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

Motion Made By Rep. Nelson Seconded By Rep. Kroeber

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer			Representative Nelson		
Vice Chairman Kempenich			Representative Wieland		
Representative Pollert					
Representative Skarphol					
Representative Thoreson			Representative Glassheim		
Representative Bellew			Representative Kaldor		
Representative Brandenburg			Representative Kroeber		
Representative Dahl			Representative Metcalf		
Representative Dosch			Representative Williams		
Representative Hawken					
Representative Klein					
Representative Kreidt					
Representative Martinson					
Representative Monson					

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

Absent 1

Floor Assignment \_\_\_\_\_

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

put supplemental payment back from what's stated in amendment .07032 to amendment .07029 (<sup>put</sup> \$4.4M back into supplemental pay package)

voice vote fails

Date: 4/8/11

Roll Call Vote #: 4

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2150

House Appropriations Committee

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

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

Motion Made By Rep. Skarphol Seconded By Rep. Monson

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer	✓		Representative Nelson		✓
Vice Chairman Kempenich			Representative Wieland	✓	
Representative Pollert	✓				
Representative Skarphol	✓				
Representative Thoreson	✓		Representative Glassheim		✓
Representative Bellew	✓		Representative Kaldor		✓
Representative Brandenburg	✓		Representative Kroeber		✓
Representative Dahl	✓		Representative Metcalf	✓	
Representative Dosch	✓		Representative Williams	✓	
Representative Hawken		✓			
Representative Klein					
Representative Kreidt	✓				
Representative Martinson	✓				
Representative Monson	✓				

Total (Yes) 14 No 5

Absent 2

Floor Assignment Rep. Skarphol

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



VR  
4/12/11  
10839

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2150

In lieu of the amendments adopted by the House as printed on pages 1229-1268 of the House Journal, Reengrossed Senate Bill No. 2150 is amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 15.1-09.1, four new sections to chapter 15.1-18.2, two new sections to chapter 15.1-21, and eight new sections to chapter 15.1-27 of the North Dakota Century Code, relating to regional education associations, the professional development advisory committee, North Dakota scholarships, and supplemental teacher-effectiveness compensation; to amend and reenact sections 15.1-06-04, 15.1-07-33, 15.1-09-58, 15.1-09.1-02, 15.1-21-02.1, 15.1-21-02.4, 15.1-21-02.5, 15.1-21-02.6, 15.1-21-08, 15.1-21-18, 15.1-21-19, 15.1-22-01, 15.1-27-03.1, 15.1-27-04, 15.1-27-07.2, 15.1-27-11, 15.1-27-35.3, 15.1-36-02, and 15.1-37-01, subsection 1 of section 15.1-37-02, and sections 15.1-37-03 and 57-15-14 of the North Dakota Century Code, relating to the school calendar, technology, regional education associations, curriculum requirements, assessments, scholarships, student consultations, state aid, school construction funding, early childhood education, care, and services, and taxable valuations; to repeal section 6 of this Act and sections 15.1-18.2-01, 15.1-18.2-02, 15.1-18.2-03, and 15.1-27-15 of the North Dakota Century Code, relating to professional development and isolated schools; to provide for compensation increases, transition payments, contingent payments, and the distribution of transportation grants, supplemented teacher-effectiveness compensation grants, alternative middle school grants, and rapid enrollment growth grants; to provide for legislative management studies; and to provide an effective date.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. AMENDMENT.** Section 15.1-06-04 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-06-04. School calendar - Length.**

1. During the 2009-10 school year, a school district shall provide for a school calendar of at least one hundred eighty days.
  - a. One hundred seventy-three days must be used for instruction;
  - b. Three days must be used for holidays, as selected by the school board in consultation with district teachers from the list provided for in subdivisions b through j of subsection 1 of section 15.1-06-02;
  - c. Up to two days must be used for:
    - (1) Parent-teacher conferences; or
    - (2) Compensatory time for parent-teacher conferences held outside regular school hours; and



- d. Two days must be used for professional development.
- 2. ~~During~~Beginning with the 2010-11 school year, a school district shall provide for a school calendar of at least one hundred eighty-one days.
  - a. One hundred seventy-four days must be used for instruction;
  - b. Three days must be used for holidays, as selected by the board in consultation with district teachers from the list provided for in subdivisions b through j of subsection 1 of section 15.1-06-02;
  - c. Up to two days must be used for:
    - (1) Parent-teacher conferences; or
    - (2) Compensatory time for parent-teacher conferences held outside of regular school hours; and
  - d. Two days must be used for professional development.
- 3. ~~Beginning with the 2011-12~~2012-13 school year, a school district shall provide for a school calendar of at least one hundred eighty-two days.
  - a. One hundred seventy-five days must be used for instruction;
  - b. Three days must be used for holidays, as selected by the board in consultation with district teachers from the list provided for in subdivisions b through j of subsection 1 of section 15.1-06-02;
  - c. Up to two days must be used for:
    - (1) Parent-teacher conferences; or
    - (2) Compensatory time for parent-teacher conferences held outside of regular school hours; and
  - d. Two days must be used for professional development.
- 4. A day for professional development must consist of:
  - a. Six hours of professional development, exclusive of meals and other breaks, conducted within a single day; or
  - b. Two four-hour periods of professional development, exclusive of meals and other breaks, conducted over two days.
- 5. If a school district offers a four-hour period of professional development, as permitted in subdivision b of subsection 4, the school district may schedule instruction during other available hours on that same day and be credited with providing one-half day of instruction to students. This subsection does not apply unless the one-half day of instruction equals at least one-half of the time required for a full day of instruction, as defined in this section.
- 6. a. In meeting the requirements for two days of professional development under this section, a school district may require that its teachers attend the North Dakota education association instructional conference and may pay teachers for attending the conference, provided their attendance is verified.

- b. In meeting the requirements for two days of professional development under this section, a school district may consider attendance at the North Dakota education association instructional conference to be optional, elect not to pay teachers for attending the instructional conference, and instead direct any resulting savings toward providing alternate professional development opportunities.
  - c. A school district may not require the attendance of teachers in school or at any school-sponsored, school-directed, school-sanctioned, or school-related activities and may not schedule classroom instruction time nor alternate professional development activities on any day that conflicts with the North Dakota education association instructional conference.
7. Beginning with the 2010-11 school year, if a school district elects to provide an optional third day of professional development, the school district shall do so by:
- a. Meeting the requirements for a day of professional development as set forth in subsection 4; or
  - b. Shortening four instructional days, for the purpose of providing for two-hour periods of professional development, provided:
    - (1) Each instructional day on which such professional development occurs includes at least four hours of instruction for kindergarten and elementary students and four and one-half hours for high school students;
    - (2) The instructional time for each course normally scheduled on that day is reduced proportionately or the daily schedule is reconfigured to ensure that the same course is not subject to early dismissal more than one time per school calendar, as a result of this subdivision; and
    - (3) All teachers having a class dismissed as a result of this subdivision are required to be in attendance and participate in the professional development.
8. a. If a school's calendar provides for an extension of each schoolday beyond the statutorily required minimum number of hours, and if the extensions when aggregated over an entire school year amount to more than eighty-four hours of additional classroom instruction during the school year, the school is exempt from having to make up six hours of instruction time lost as a result of weather-related closure. In order to make up lost classroom instruction time beyond the six hours, the school must extend its normal school calendar day by at least thirty minutes.
- b. A school that does not qualify under the provisions of this subsection must extend its normal schoolday by at least thirty minutes to make up classroom instruction time lost as a result of weather-related closure.
  - c. If because of weather a school must dismiss before completing a full day of instruction, the school is responsible for making up only those hours and portions of an hour between the time of early dismissal and the conclusion of a full day of classroom instruction.

- 9. For purposes of this section, a full day of instruction consists of:
  - a. At least five and one-half hours for kindergarten and elementary students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction; and
  - b. At least six hours for high school students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction.

**SECTION 2. AMENDMENT.** Section 15.1-07-33 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-07-33. Student information system - Statewide coordination - Financial support - Exemption.**

- 1. Notwithstanding any other technology requirements imposed by the superintendent of public instruction, the information technology department, or the North Dakota educational technology council, each school district shall acquire PowerSchool through the information technology department and use it as its principal student information system.
- 2. The superintendent of public instruction shall forward that portion of a school district's state aid which is payable by the superintendent under subdivision n of subsection 1 of section 15.1-27-03.1 directly to the information technology department to reimburse the department for the cost of the school district's acquisition, implementation, or utilization of PowerSchool and any related technology support services. The superintendent shall forward the amount payable under this subsection at the same time and in the same manner as provided for other state aid payments under section 15.1-27-01.
- 3. If the portion of a school district's state aid forwarded to the information technology department under subsection 2 exceeds the cost incurred by the information technology department in providing for the school district's acquisition, implementation, or utilization of PowerSchool and any related technology support services, the information technology department shall return the excess moneys to the superintendent of public instruction for redistribution to the school district as per student payments.
- 4. The superintendent of public instruction may exempt a school district from having to acquire and utilize PowerSchool if the school district demonstrates that, in accordance with requirements of the bureau of Indian education, the district has acquired and is utilizing a student information system that is determined to be comparable by the superintendent.

**SECTION 3. AMENDMENT.** Section 15.1-09-58 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-09-58. ~~Prekindergarten program~~ Early childhood education - Authorization - Support.**

The board of a school district may establish a ~~prekindergarten~~ early childhood program and may ~~receive and expend any state moneys specifically appropriated for the program, any federal funds~~ support that program with:

1. Local tax revenues, other than those necessary to support the district's kindergarten program and the district's provision of elementary and high school educational services;
2. Federal moneys specifically appropriated or approved for the program; ~~and any gifts~~
3. Gifts, grants, and donations specifically given for the program.

**SECTION 4. AMENDMENT.** Section 15.1-09.1-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-09.1-02. Regional education association - Joint powers agreement - Review by superintendent of public instruction - Criteria.**

~~Before~~ In order for a group of school districts ~~may~~ to be designated as a regional education association, the superintendent of public instruction shall review the joint powers agreement that the districts have entered and verify that: the requirements of this section have been met.

1. The school districts must:
  - a. Have a combined total land mass of at least five thousand eight hundred square miles [1502193 hectares];
  - b. (1) Have a combined total land mass of at least four thousand five hundred square miles [1165494 hectares]; and  
(2) Number at least twelve;
  - c. (1) Have a combined total land mass of at least four thousand square miles [1035995 hectares]; and  
(2) Have at least three thousand students in average daily membership; or
  - d. (1) Have a combined total land mass of at least one thousand five hundred square miles [388498 hectares]; and  
(2) Have at least seven thousand five hundred students in average daily membership.
2. The school districts ~~are~~ must be contiguous to each other or, if the districts are not contiguous to each other, the superintendent of public instruction shall verify that the participating districts can provide sound educational opportunities to their students in a fiscally responsible manner without injuring other school districts or regional education associations and without negatively impacting the ability of other school districts or regional education associations to provide sound educational opportunities to their students in a fiscally responsible manner. A decision by the superintendent

of public instruction under this subsection may be appealed to the state board of public school education. A decision by the state board is final.

- 3. The joint powers agreement ~~requires~~must require that the participating school districts maintain a joint operating fund ~~and share various administrative functions and student services in accordance with subsection 4.~~
- 4. a. ~~During the first two school years in which a regional education association is operational, each participating school district shall share in at least two administrative functions and two student services, selected by the district.~~
- b. ~~During the third and fourth school years in which a regional education association is operational, each participating school district shall share in at least three administrative functions and three student services, selected by the district.~~
- c. ~~During the fifth school year in which a regional education association is operational, and each year thereafter, each participating school district shall share at least five administrative functions and five student services, selected by the district.~~
- d. For purposes of this subsection:
  - (1) "Administrative functions" means:
    - (a) Business management;
    - (b) Career and technical education services management;
    - (c) Curriculum mapping or development;
    - (d) Data analysis;
    - (e) Federal program support;
    - (f) Federal title program management;
    - (g) Grant writing;
    - (h) School improvement;
    - (i) School safety and environment management;
    - (j) Special education services management;
    - (k) Staff development;
    - (l) Staff retention and recruitment;
    - (m) Staff sharing;
    - (n) Technology support; and
    - (o) Any other functions approved by the superintendent of public instruction.
  - (2) "Student services" means:
    - (a) Advanced placement classes;

- ~~(b) Alternative high schools or alternative high school programs;~~
- ~~(c) Career and technical education classes;~~
- ~~(d) Counseling services;~~
- ~~(e) Common elementary curricula;~~
- ~~(f) Distance learning classes;~~
- ~~(g) Dual credit classes;~~
- ~~(h) Foreign language classes;~~
- ~~(i) Library and media services;~~
- ~~(j) Summer programs;~~
- ~~(k) Supplemental instruction programs; and~~
- ~~(l) Any other services approved by the superintendent of public instruction.~~

e. ~~For purposes of this subsection, if a regional education association became operational before July 1, 2005, the 2005-06 school year must be considered the provider's first year of operation.~~

- 5. The joint powers agreement ~~provides~~must provide:
  - a. Criteria for the future participation of school districts that were not parties to the original joint powers agreement;
  - b. An application process by which school districts that were not parties to the original joint powers agreement can become participating districts; and
  - c. A process by which school districts that were not parties to the original joint powers agreement and whose application to participate in the agreement was denied can appeal the decision to the superintendent of public instruction.

6.5. The joint powers agreement ~~provides~~must provide for the employment and compensation of staff.

- 7.6. The joint powers agreement must:
  - a. ~~Establishes~~Establish the number of members on the governing board;
  - b. ~~Establishes~~Establish the manner in which members of the governing board are determined;
  - c. ~~Requires all members~~Require that each member of the governing board ~~or their designees to be individuals~~be an individual currently serving on the board of a participating school district ~~or the designee of a participating school district's board~~; and
  - d. ~~Allows~~Allow for the inclusion of ex officio nonvoting members on the governing board.

- 8-7. The joint powers agreement ~~provides~~must provide that the board of the regional education association shall meet at least quarterly.
- 9-8. The joint powers agreement ~~does~~may not permit the regional education association to compensate members of the regional education association board for attending meetings of the board and does not permit the regional education association to reimburse members of the board for any expenses incurred in attending meetings of the board.

**SECTION 5.** A new section to chapter 15.1-09.1 of the North Dakota Century Code is created and enacted as follows:

**Regional education association - Services to be offered.**

- 1. In order to be eligible for state funding, a regional education association must offer the following services to its member districts:
  - a. Coordination and facilitation of professional development activities for teachers and administrators employed by its member districts;
  - b. Supplementation of technology support services;
  - c. Assistance with achieving school improvement goals identified by the superintendent of public instruction;
  - d. Assistance with the collection, analysis, and interpretation of student achievement data; and
  - e. Assistance with the expansion and enrichment of curricular offerings.
- 2. Subsection 1 does not preclude a regional education association from offering additional services to its member districts.

**SECTION 6.** A new section to chapter 15.1-18.2 of the North Dakota Century Code is created and enacted as follows:

**Professional development advisory committee - Reimbursement of members.**

Each member of the professional development advisory committee is entitled to receive reimbursement for expenses as provided by law for state officers if the member is attending committee meetings, except that no member may receive reimbursement under this section for more than three committee meetings during each year of the biennium.

**SECTION 7.** A new section to chapter 15.1-18.2 of the North Dakota Century Code is created and enacted as follows:

**Teacher support program - Establishment.**

The education standards and practices board shall:

- 1. Establish and administer a teacher support program;
- 2. Employ an individual to serve as a teacher support program coordinator;

- 3. a. Select and train experienced teachers who will serve as mentors for first-year teachers and assist the first-year teachers with instructional skills development; or
- b. If a school district or other employing entity listed in section 9 of this Act is not in need of mentors for its first-year teachers, select and train experienced teachers who will work with school district administrators and administrators from the other employing entities to identify the needs of the non-first-year teachers and help the non-first-year teachers address their particular needs through the use of:
  - (1) Research-validated interventions; and
  - (2) Proven instructional methods.

**SECTION 8.** A new section to chapter 15.1-18.2 of the North Dakota Century Code is created and enacted as follows:

**Teacher support program - Availability of services.**

The education standards and practices board may use any moneys it receives for the teacher support program to provide staff compensation, training, evaluation, and stipends for mentors and experienced teachers who assist first-year and non-first-year teachers participating in the program, and to pay for any other administrative expenses resulting from the program; provided, however, that the board may not expend more than five percent of the moneys for administrative purposes.

**SECTION 9.** A new section to chapter 15.1-18.2 of the North Dakota Century Code is created and enacted as follows:

**Teacher support program - Authorized service recipients.**

The education standards and practices board may provide support services to teachers employed by:

- 1. School districts;
- 2. Special education units;
- 3. Area career and technology centers;
- 4. Regional education associations; and
- 5. Schools funded by the bureau of Indian education.

**SECTION 10. AMENDMENT.** Section 15.1-21-02.1 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.1. High school graduation--Diplomadiploma - Minimum requirements.**

Except as provided in section 15.1-21-02.3, before a school district, a nonpublic high school, or the center for distance education issues a high school diploma to a student, the student must have successfully completed the following ~~twenty-two units~~ of high school coursework:



- 1. ~~Four units of English language arts from a sequence that includes literature, composition, and speech;~~
- 2. ~~Three units of mathematics;~~
- 3. ~~Three units of science, including:~~
  - a. ~~One unit of physical science;~~
  - b. ~~One unit of biology; and~~
  - c. ~~(1) One unit of any other science; or~~  
~~(2) Two one-half units of any other science;~~
- 4. ~~Three units of social studies, including:~~
  - a. ~~One unit of United States history;~~
  - b. ~~(1) One-half unit of United States government and one-half unit of economics; or~~  
~~(2) One unit of problems of democracy; and~~
  - c. ~~One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;~~
- 5. a. ~~One unit of physical education; or~~
- b. ~~One-half unit of physical education and one-half unit of health;~~
- 6. ~~Three units of:~~
  - a. ~~Foreign languages;~~
  - b. ~~Native American languages;~~
  - c. ~~Fine arts; or~~
  - d. ~~Career and technical education courses; and~~
- 7. ~~Any five additional units.~~
- 1. The twenty-two units of high school coursework set forth in section 11 of this Act; and
- 2. Any additional units of high school coursework required by the issuing entity.

**SECTION 11.** A new section to chapter 15.1-21 of the North Dakota Century Code is created and enacted as follows:

**High school graduation - Minimum requirements.**

Except as provided in section 15.1-21-02.3, the following twenty-two units of high school coursework constitute the minimum requirement for high school graduation:

1. Four units of English language arts from a sequence that includes literature, composition, and speech;
2. Three units of mathematics;
3. Three units of science, including:
  - a. One unit of physical science;
  - b. One unit of biology; and
  - c. (1) One unit of any other science; or  
(2) Two one-half units of any other science;
4. Three units of social studies, including:
  - a. One unit of United States history;
  - b. (1) One-half unit of United States government and one-half unit of economics; or  
(2) One unit of problems of democracy; and
  - c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;
5. a. One unit of physical education; or  
b. One-half unit of physical education and one-half unit of health;
6. Three units of:
  - a. Foreign languages;
  - b. Native American languages;
  - c. Fine arts; or
  - d. Career and technical education courses; and
7. Any five additional units.

**SECTION 12. AMENDMENT.** Section 15.1-21-02.4 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.4. North Dakota career and technical education scholarship.**

Any resident student who graduates from a high school during or after the 2010-11 school year is eligible to receive a North Dakota career and technical education scholarship provided the student ~~completes all requirements set forth in subsections 1 through 5 and subsection 7 of section 15.1-21-02.1 for a high school diploma and:~~

1. Completed four units of English language arts from a sequence that includes literature, composition, and speech;
2. Completed three units of mathematics, including:

- a. ~~Completes one~~One unit of algebra II, as defined by the superintendent of public instruction, ~~in fulfillment of the mathematics requirement set forth in subsection 2 of section 15.1-21-02.4;~~ and
  - b. ~~Completes two~~Two units of any other mathematics;
3. Completed three units of science, including:
- a. One unit of physical science;
  - b. One unit of biology; and
  - c. (1) One unit of any other science; or  
 (2) Two one-half units of any other science;
4. Completed three units of social studies, including:
- a. One unit of United States history;
  - b. (1) One-half unit of United States government and one-half unit of economics; or  
 (2) One unit of problems of democracy; and
  - c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;
5. a. Completed one unit of physical education; or  
 b. One-half unit of physical education and one-half unit of health;
6. Completed:
- a. One unit selected from:
    - (1) Foreign languages;
    - (2) Native American languages;
    - (3) American sign language;
    - (4) Fine arts; or
    - (5) Career and technical education courses; and
  - b. Two units of a coordinated plan of study recommended by the department of career and technical education and approved by the superintendent of public instruction; and
- 6-7. ~~Completes three~~Completed any five additional units, two of which must be in the area of career and technical education;
2. ~~Obtains a grade of at least "C" in each unit or one-half unit required for the diploma;~~
- 3-8. a. (1) ~~Obtains~~Obtained a cumulative grade point average of at least ~~"B"~~3.0 on a 4.0 grading scale, as determined by the

superintendent of public instruction, based on all high school units in which the student was enrolled; and

- (2) Obtained a grade of at least "C" in each unit or one-half unit; or
- b. (1) Obtained a cumulative grade point average of at least 3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based only on the units required by subsections 1 through 7 of this section; and
- (2) Obtained a grade of at least "C" in each unit or one-half unit; and

4.9. Receives~~Received~~:

- a. A composite score of at least twenty-four on an ACT; or
- b. A score of at least five on each of three WorkKeys assessments recommended by the department of career and technical education and approved by the superintendent of public instruction.

**SECTION 13. AMENDMENT.** Section 15.1-21-02.5 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.5. North Dakota academic scholarship.**

Any resident student who graduates from a high school during or after the 2010-11 school year is eligible to receive a North Dakota academic scholarship provided the student ~~completes all requirements set forth in subsections 1 through 5 and subsection 7 of section 15.1-21-02.1 for a high school diploma and:~~

- 1. Completed four units of English language arts from a sequence that includes literature, composition, and speech;
- 2. Completed three units of mathematics, including:
  - a. ~~Completes one~~One unit of algebra II, as defined by the superintendent of public instruction, ~~in fulfillment of the mathematics requirement set forth in subsection 2 of section 15.1-21-02.1; and~~
  - b. ~~Completes one additional~~One unit of mathematics for which algebra II, as defined by the superintendent of public instruction, is a prerequisite; ~~and~~
- e.3. ~~Completes~~Completed three units of science, including:
  - a. One unit of physical science;
  - b. One unit of biology; and
  - c. (1) One unit of any other science; or  
(2) Two one-half units of any other science;
- 4. Completed three units of social studies, including:
  - a. One unit of United States history;

- b. (1) One-half unit of United States government and one-half unit of economics; or
- (2) One unit of problems of democracy; and
- c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;
- 5. a. Completed one unit of physical education; or
- b. One-half unit of physical education and one-half unit of health;
- 6. a. Completed:
  - (1) Two units of the same foreign or native American language;
  - (2) One unit of fine arts or career and technical education American sign language; and
- (3)b. One unit of a foreign or native selected from:
  - (1) Foreign languages;
  - (2) Native American language, fine languages;
  - (3) American sign language;
  - (4) Fine arts, or career, or
  - (5) Career and technical education;
- 2. ~~Obtains a grade of at least "C" in each unit or one-half unit required for the diploma;~~
- 3-7. ~~Obtains~~ Completed any five additional units, one of which must be in the area of fine arts or career and technical education;
- 8. a. (1) Obtained a cumulative grade point average of at least "B" 3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based on all high school units in which the student was enrolled; and
- (2) Obtained a grade of at least "C" in each unit or one-half unit; or
- b. (1) Obtained a cumulative grade point average of at least 3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based only on the units required by subsections 1 through 7 of this section; and
- (2) Obtained a grade of at least "C" in each unit or one-half unit;
- 4-9. ~~Receives~~ Received a composite score of at least twenty-four on an ACT; and
- 5-10. a. ~~Completes~~ Fulfilled any one unit requirement set forth in subsections 1 through 7 of this section by means of an advanced placement course and examination; or

- b. Fullfilled any one-half unit requirement set forth in subsections 1 through 7 of this section by means of a dual-credit course.

**SECTION 14. AMENDMENT.** Section 15.1-21-02.6 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.6. North Dakota scholarship - Amount - Applicability.**

1. a. The state board of higher education shall provide to any student certified as being eligible by the superintendent of public instruction either a North Dakota academic scholarship or a North Dakota career and technical education scholarship in the amount of seven hundred fifty dollars for each semester during which the student is enrolled full time at an accredited institution of higher education in this state and maintains a cumulative grade point average of 2.75.
- b. The state board of higher education shall provide to any student certified as being eligible by the superintendent of public instruction either a North Dakota academic scholarship or a North Dakota career and technical education scholarship in the amount of five hundred dollars for each quarter during which the student is enrolled full time at an accredited institution of higher education in this state and maintains a cumulative grade point average of 2.75.
2. A student is not entitled to receive more than six thousand dollars under this section.
3. The state board of higher education shall forward the scholarship directly to the institution in which the student is enrolled.
4. a. (1) This section does not require a student to be enrolled in consecutive semesters.  
(2) This section does not require a student to be enrolled in consecutive quarters.
- b. However, a scholarship under this section is valid only for six academic years after the student's graduation from high school and may not be applied to graduate programs.
5. A scholarship under this section is available to any eligible student who graduates from a high school in this state or from a high school in a bordering state under chapter 15.1-29.

**SECTION 15.** A new section to chapter 15.1-21 of the North Dakota Century Code is created and enacted as follows:

**North Dakota scholarship - Eligibility - One-time exception.**

1. a. Notwithstanding section 15.1-21-02.6, if a student's cumulative grade point average as determined by the state board of higher education at the conclusion of a semester is below 2.75, the board shall grant an exception and provide the North Dakota scholarship to which the student would otherwise be entitled for the next semester in which the student is enrolled full time. The exception provided by this section is applicable to a student only one time.

- b. If a student's cumulative grade point average as determined by the state board of higher education at the conclusion of a semester is below 2.75 for a second time, the student is no longer eligible to receive any additional North Dakota scholarships.
- 2. a. Notwithstanding section 15.1-21-02.6, if a student's cumulative grade point average as determined by the state board of higher education at the conclusion of a quarter is below 2.75, the board shall grant an exception and provide the North Dakota scholarship to which the student would otherwise be entitled for the next quarter in which the student is enrolled full time. The exception provided by this section is applicable to a student only one time.
- b. If a student's cumulative grade point average as determined by the state board of higher education at the conclusion of a quarter is below 2.75 for a second time, the student is no longer eligible to receive any additional North Dakota scholarships.

**SECTION 16. AMENDMENT.** Section 15.1-21-08 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-08. Reading, mathematics, and science - Administration of test.**

- 1. The superintendent of public instruction shall administer to public school students a test that is aligned to the state content and achievement standards in reading and mathematics. This test must be administered to ~~all public school students in at least one grade level selected within each of the following grade spans: grades three through five; grades six through nine; and grades ten through twelve. Beginning no later than the 2005-06 school year and annually thereafter, the superintendent of public instruction shall administer the reading and mathematics test annually to all public school students in grades three, four, five, six, seven, eight, and eleven.~~
- 2. ~~Beginning no later than the 2007-08 school year and annually thereafter,~~ The superintendent of public instruction shall administer a test that is aligned to the state content and achievement standards in science. This test must be administered to all public school students in at least one grade level selected from three through five; in at least one grade level selected from six through nine; and in grade eleven. The superintendent of public instruction may not administer the grade eleven test after December first of each school year.

**SECTION 17. AMENDMENT.** Section 15.1-21-18 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-18. Career interest inventory - Educational and career planning - Consultation.**

- 1. A school district shall administer to students, once during their enrollment in grade seven or eight and once during their enrollment in grade nine or ten, a career interest inventory recommended by the department of career and technical education and approved by the superintendent of public instruction.

- 2. At least once during the seventh or eighth grade, each school district shall arrange for students to participate in either an individual consultative process or a nine-week course, for the purpose of discussing the results of their career interest inventory, selecting high school courses appropriate to their educational pursuits and career interests, and developing individual high school education plans.
- 3. Each school district shall notify its high school students that, upon request, a student is entitled to receive a consultative review of the student's individual high school education plan at least once during each high school grade. Upon the request of a student, the school district shall provide the consultative review.
- 4. Each school district shall verify compliance with the requirements of this section at the time and in the manner required by the superintendent of public instruction.

**SECTION 18. AMENDMENT.** Section 15.1-21-19 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-19. Summative assessment - Selection - Cost - Exemptions.**

- 1. Except as otherwise provided, each public and nonpublic school student in grade eleven shall take the ACT, including the writing test, or three WorkKeys assessments recommended by the department of career and technical education and approved by the superintendent of public instruction. The student shall determine which summative assessment to take. ~~The student's school district of residence~~ superintendent of public instruction is responsible for the cost of procuring and administering one summative assessment and its administration per student.
- 2. The student's career advisor or guidance counselor shall meet with the student to review the student's assessment results.
- 3. A school district superintendent or a school administrator in the case of a nonpublic school student may exempt a student from the requirements of this section if taking the test is not required by the student's individualized education program plan or if other special circumstances exist.
- 4. ~~If the superintendent of public instruction determines that the cost of the summative assessment and its administration can be reduced through use of a state procurement process, the superintendent shall work with the school districts to procure and arrange for the administration of the assessment and shall withhold each district's share of the total cost from any state aid otherwise payable to the district.~~ At the time and in the manner determined by the superintendent of public instruction, each school district superintendent and each school administrator in the case of a nonpublic school shall report the number of eleventh grade students who:
  - a. Took the ACT, including the writing test;
  - b. Took the three WorkKeys assessments; and



- c. Were exempted from the requirements of this section, together with the reason for each exemption.

**SECTION 19. AMENDMENT.** Section 15.1-22-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-22-01. Kindergarten - Establishment by board - Request by parent - Levy.**

1. ~~Upon its own motion, the~~The board of a school district ~~may establish a free public kindergarten.~~
2. ~~If the board receives a written request to provide kindergarten from the parent of a student who will be enrolled in the kindergarten, the board shall either provide at least a half-day kindergarten program for the student~~any student enrolled in the district or pay the tuition required for the student to attend at least a half-day kindergarten program in another school district.
3. ~~2.~~ The board of a school district that establishes a kindergarten under this section may levy a tax pursuant to subdivision p of subsection 1 of section 57-15-14.2.

**SECTION 20. AMENDMENT.** Section 15.1-27-03.1 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-03.1. (Effective through June 30, 2011) Weighted average daily membership - Determination.**

1. ~~For each school district, the superintendent of public instruction shall multiply by:~~
  - a. ~~1.00 the number of full-time equivalent students enrolled in a migrant summer program;~~
  - b. ~~1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;~~
  - c. ~~0.60 the number of full-time equivalent students enrolled in a summer education program;~~
  - d. ~~0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;~~
  - e. ~~0.30 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and are enrolled in a program of instruction for English language learners;~~
  - f. ~~0.25 the number of full-time equivalent students enrolled in an alternative high school;~~
  - g. ~~0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
  - h. ~~0.25 the number of full-time equivalent students enrolled in an isolated high school;~~

- ~~i. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;~~
  - ~~j. 0.20 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be not proficient and are enrolled in a program of instruction for English language learners;~~
  - ~~k. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;~~
  - ~~l. 0.07 the number of students enrolled in average daily membership, in order to support the provision of special education services;~~
  - ~~m. 0.07 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be somewhat proficient and are enrolled in a program of instruction for English language learners;~~
  - ~~n. 0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; and~~
  - ~~o. 0.002 the number of students enrolled in average daily membership, in order to support technology.~~
2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.

**(Effective after June 30, 2011) Weighted average daily membership - Determination.**

- 1. For each school district, the superintendent of public instruction shall multiply by:
  - a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;
  - b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;
  - c. 0.60 the number of full-time equivalent students enrolled in a summer education program;
  - d. 0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;
  - e. 0.30 the number of full-time equivalent students who ~~are~~:
    - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and placed in the first of six categories of proficiency; and are
    - (2) Are enrolled in a program of instruction for English language learners;

- f. 0.25 the number of full-time equivalent students enrolled in an alternative high school;
- g. ~~0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
- h. ~~0.25 the number of full-time equivalent students enrolled in an isolated high school;~~
- i. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;
- j.h. 0.20 the number of full-time equivalent students who ~~are~~:
  - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be ~~not more~~ proficient than students placed in the first of six categories of proficiency and therefore placed in the second of six categories of proficiency; and are
  - (2) Are enrolled in a program of instruction for English language learners;
- k.i. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;
- t.j. ~~0.07~~ 0.10 the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average daily membership and the district consists of an area greater than two hundred seventy-five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students in average daily membership must be deemed to have an enrollment equal to fifty students in average daily membership;
- k. 0.073 the number of students enrolled in average daily membership, in order to support the provision of special education services;
- m.l. 0.07 the number of full-time equivalent students who ~~are~~:
  - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be ~~somewhat more~~ proficient and ~~are~~ than students placed in the second of six categories of proficiency and therefore placed in the third of six categories of proficiency;
  - (2) Are enrolled in a program of instruction for English language learners; and
  - (3) Have not been in the third of six categories of proficiency for more than three years;
- n.m. 0.025 the number of students representing that percentage of the total number of students in average daily membership which is equivalent to the three-year average percentage of students in grades three through eight who are eligible for free or reduced lunches under the

Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.];

n. 0.006 the number of students enrolled in average daily membership in each public school in the district that:

- (1) Has acquired and is utilizing the PowerSchool student information system;
- (2) Has acquired and is in the process of implementing the PowerSchool student information system; or
- (3) Will acquire the PowerSchool student information system during the current school year, provided the acquisition is contractually demonstrated; and

o. 0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; and

p. ~~0.002 the number of students enrolled in average daily membership; in order to support technology.~~

2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.

**SECTION 21. AMENDMENT.** Section 15.1-27-04 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-04. Per student payment rate.**

- 1. a. The per student payment rate to which each school district is entitled for the first year of the biennium is three thousand ~~two~~nine hundred ~~thirty~~ dollars.
- b. The per student payment rate to which each school district is entitled for the second year of the biennium is three thousand ~~seven~~nine hundred ~~seventy-nine~~seventy dollars.
- 2. In order to determine the state aid payment to which each district is entitled, the superintendent of public instruction shall multiply each district's weighted student units by the per student payment rate set forth in subsection 1.

**SECTION 22. AMENDMENT.** Section 15.1-27-07.2 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-07.2. Baseline funding - Determination - Minimum and maximum allowable increases.**

- 1. The superintendent of public instruction shall determine each school district's baseline funding per weighted student unit by:
  - a. Adding together all state aid received by the district during the 2006-07 school year;

- b. Subtracting the amount received by the district during the 2006-07 school year for transportation aid, special education excess cost reimbursements, special education contracts, prior year funding adjustments, and per student payments for participation in educational associations governed by joint powers agreements; and
  - c. Dividing the amount determined under subdivision b by the district's 2007-08 weighted student units.
2.
    - a. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, for the 2009-10 school year, is at least equal to one hundred eight percent of the baseline funding per weighted student unit, as established in subsection 1.
    - b. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, for each school year after the 2009-10 school year, is at least equal to one hundred twelve and one-half percent of the baseline funding per weighted student unit, as established in subsection 1.
  3.
    - a. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, less any amount received as equity payments under section 15.1-27-11 per weighted student unit, does not exceed, for the ~~2009-10~~2011-12 school year, one hundred ~~twenty~~forty-two percent of the baseline funding per weighted student unit, as established in subsection 1.
    - b. ~~The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, less any amount received as equity payments under section 15.1-27-11 per weighted student unit, does not exceed, for each school year after the 2009-10 school year, one hundred thirty four percent of the baseline funding per weighted student unit, as established in subsection 1.~~

**SECTION 23. AMENDMENT.** Section 15.1-27-11 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-11. Equity payments.**

1. The superintendent of public instruction shall:
  - a. Divide the imputed taxable valuation of the state by the total average daily membership of all school districts in the state in order to determine the state average imputed taxable valuation per student.
  - b. Divide the imputed taxable valuation of each school district by the district's total average daily membership in order to determine each district's average imputed taxable valuation per student.
2. If a school district's imputed taxable valuation per student is less than ninety percent of the statewide imputed taxable valuation per student, the superintendent of public instruction shall calculate the valuation deficiency by:

- a. Determining the difference between ninety percent of the state average imputed taxable valuation per student and the district's average imputed taxable valuation per student; and
  - b. Multiplying that difference by the district's total average daily membership.
3. Except as provided in subsection 4, the equity payment to which a district is entitled under this section equals the district's valuation deficiency multiplied by the lesser of:
- a. The district's general fund levy for the taxable year 2008; or
  - b. One hundred eighty-five mills.
4. a. The equity payment to which a district is entitled may not exceed the district's taxable valuation multiplied by its general fund levy for the taxable year 2008.
- b. If a district's general fund levy for the taxable year 2008 is less than one hundred eighty-five mills, the superintendent of public instruction shall subtract the district's general fund levy for the taxable year 2008 from one hundred eighty-five mills, multiply the result by the district's taxable valuation, and subtract that result from the equity payment to which the district is otherwise entitled.
- c. If a district's imputed taxable valuation per student is less than fifty percent of the statewide imputed taxable valuation per student, the payment to which the district is entitled under this section may not be less than twenty percent of the statewide imputed taxable valuation per student times the school district's average daily membership, multiplied by one hundred eighty-five mills.
5. In determining the amount to which a school district is entitled under this section, the superintendent of public instruction may not include any payments received by the district as a result of Public Law No. 81-874 [64 Stat. 1100; 20 U.S.C. 236 et seq.] and may not include in the district's average daily membership students who are dependents of members of the armed forces and students who are dependents of civilian employees of the department of defense.
6. In determining the statewide average imputed taxable valuation per student for purposes of this section, the superintendent of public instruction may not include:
- a. Any school district, which if included in the calculation would have an imputed taxable valuation per student that is three times greater than the statewide average imputed taxable valuation per student; and
  - b. Any school district, which if included in the calculation would have an imputed taxable valuation per student that is less than one-fifth of the statewide average imputed taxable valuation per student.
7. For purposes of this section:
- a. "General fund levy" includes a district's high school transportation levy and its high school tuition levy.

- b. "Imputed taxable valuation" means the valuation of all taxable real property in the district plus:
  - (1) An amount determined by dividing seventy percent of the district's mineral and tuition revenue, revenue from payments in lieu of property taxes on distribution and transmission of electric power, revenue from payments in lieu of taxes from electricity generated from sources other than coal, and revenue received on account of the leasing of lands acquired by the United States for flood control, navigation, and allied purposes in accordance with 33 U.S.C. 701c-3 by the district's general fund mill levy for the taxable year 2008; and
  - (2) An amount determined by dividing the district's revenue from mobile home taxes and telecommunications taxes by the district's general fund mill levy for the taxable year 2008.
- c. "Mineral revenue" includes all revenue from county sources reported under code 2000 of the North Dakota school district financial accounting and reporting manual as developed by the superintendent of public instruction in accordance with section 15.1-02-08.
- d. "Tuition revenue" includes all revenue reported under code 1300 of the North Dakota school district financial accounting and reporting manual as developed by the superintendent of public instruction in accordance with section 15.1-02-08. "Tuition revenue" does not include tuition income received specifically for the operation of an educational program provided at a residential treatment facility.

**SECTION 24. AMENDMENT.** Section 15.1-27-35.3 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-35.3. (Effective through June 30, 2011) Payments to school districts—Unobligated general fund balance—Report to legislative council.**

- 1. ~~The superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of fifty percent of its actual expenditures, plus twenty thousand dollars. Beginning July 1, 2008, the superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty five percent of its actual expenditures, plus twenty thousand dollars.~~
- 2. ~~In making the determination required by subsection 1, the superintendent of public instruction may not include in a district's unobligated general fund balance any moneys that:~~
  - a. (1) ~~Were received by the district during the school year ending June 30, 2009, on account of the leasing of lands acquired by the United States for flood control, navigation, and allied purposes in accordance with 33 U.S.C. 701c-3; and~~

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- (2) Exceeded the amount received by the district during the school year ending June 30, 2008, for the purpose stated in paragraph 1;
  - b. Were received directly by the district from the United States government in accordance with the American Recovery and Reinvestment Act of 2009; or
  - e. Were received by the district as supplemental one-time grants under section 52 of S.L. 2009, ch. 175.
3. Any district having more than fifty thousand dollars excluded in the determination of its ending fund balance, as required by subsection 2, shall provide a report to the legislative council. The report, which must be presented at the time and in the manner directed by the legislative council, must address how the money was expended, including the number of mills by which the district was able to decrease its property taxes, if such was a permitted use.

**(Effective after June 30, 2011) Payments to school districts - Unobligated general fund balance.**

- 1. The superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of fifty percent of its actual expenditures, plus twenty thousand dollars. Beginning July 1, 2008, the superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty-five percent of its actual expenditures, plus twenty thousand dollars.
- 2. In making the determination required by subsection 1, the superintendent of public instruction may not include in a district's unobligated general fund balance any moneys that were received by the district from the federal education jobs fund program.

**SECTION 25.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Supplemental teacher-effectiveness compensation plan.**

- 1. A representative organization authorized by a negotiating unit, as defined in subdivision b of subsection 2 of section 15.1-16-01, and the board of a school district may agree to pursue a supplemental teacher-effectiveness compensation plan for teachers in the negotiating unit.
- 2. The negotiating unit may include:
  - a. All teachers employed by the board to teach in the school district; or
  - b. All teachers employed by the board to teach at a particular school in the district.



- 3. For purposes of this section and the implementation of the supplemental teacher-effectiveness compensation plan, "teacher" means an individual defined in subdivision b of subsection 6 of section 15.1-02-13.

**SECTION 26.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Supplemental teacher-effectiveness compensation plan - Development committee - Membership.**

- 1. Upon agreeing to pursue a supplemental teacher-effectiveness compensation plan, the board of the school district and the representative organization shall form a committee to develop the plan. The membership of the committee must be agreed upon by the board of the school district and the representative organization.
- 2. At the initial meeting of the committee, the members shall establish rules of operation and procedure.
- 3. The committee formed under this section is a public entity for purposes of chapter 44-04.

**SECTION 27.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Supplemental teacher-effectiveness compensation plan - Required content.**

- 1. A supplemental teacher-effectiveness compensation plan developed under this section must:
  - a. Include only matters of compensation and may not include other terms or conditions of employment normally negotiated under chapter 15.1-16;
  - b. Provide for a determination of compensation that takes into account:
    - (1) Whether the school district has had difficulty filling a particular position with a suitable and highly qualified teacher;
    - (2) Whether a teacher has advanced academic degrees or special skills and knowledge beyond those minimally required for a position;
    - (3) Whether a teacher has pursued certified professional development activities beyond those minimally required for a position;
    - (4) Whether a teacher has assumed responsibilities that are beyond those minimally required for a position; and
    - (5) Various measures of student growth, including academic growth;
  - c. Include a rigorous and objective system of teacher evaluation that equitably links an individual's performance to the opportunity for additional compensation; and

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- d. Ensure that no teacher subject to the plan will receive less total compensation than that teacher was eligible to receive under the last contract negotiated under chapter 15.1-16.
- 2. A supplemental teacher-effectiveness compensation plan is not subject to a declaration of impasse under chapter 15.1-16.

**SECTION 28.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Supplemental teacher-effectiveness compensation plan - Review panel - Duties.**

- 1. Upon agreeing to a supplemental teacher-effectiveness compensation plan, the plan development committee shall forward the plan to a panel consisting of:
  - a. Two employees of the department of public instruction, selected by the superintendent of public instruction;
  - b. Two individuals appointed by the North Dakota council of educational leaders;
  - c. Two individuals appointed by the North Dakota education association; and
  - d. Two individuals appointed by the North Dakota school boards association.
- 2. Beginning April 1, 2012, the panel shall review each plan that is submitted to ensure that it meets the requirements of section 27 of this Act.

**SECTION 29.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Supplemental teacher-effectiveness compensation plan - Review panel - Additional duties.**

In addition to the duties set forth in section 28 of this Act, the review panel shall:

- 1. Develop and distribute guidelines pertaining to the creation of supplemental teacher-effectiveness compensation plans;
- 2. Upon request meet with and advise plan development committees pursuing the creation of supplemental teacher-effectiveness compensation plans; and
- 3. Provide advice to the superintendent of public instruction regarding the hiring of any employees or the selection of any contractors whose duties will be related to supplemental teacher-effectiveness compensation.

**SECTION 30.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Annual report - Required content.**

1. Any school district that receives state moneys to implement a supplemental teacher-effectiveness compensation plan shall file an annual report with the superintendent of public instruction, at the time and in the manner directed by the superintendent. The report must address whether the plan has:
  - a. Alleviated difficulty filling particular positions with suitable and highly qualified teachers;
  - b. Encouraged teachers to pursue advanced academic degrees or acquire special skills and knowledge beyond those minimally required for a position;
  - c. Encouraged teachers to pursue certified professional development activities beyond those minimally required for a position;
  - d. Encouraged teachers to assume additional responsibilities that are beyond those minimally required for a position; and
  - e. Resulted in measurable student growth, including academic growth.
2. The report also must include suggestions for modifications to the plan, if appropriate.
3. The representative organization shall indicate in writing its agreement with the report and the suggestions for modifications, as submitted by the school district in accordance with this section, or provide to the superintendent of public instruction a separate report together with any suggestions for modifications.
4. The superintendent of public instruction shall provide copies of the report to the plan review panel established by section 28 of this Act.

**SECTION 31.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Existing contracts - Terms - Effect.**

1. The terms of any contract entered before July 1, 2011, between the board of a school district and a representative organization in accordance with chapter 15.1-16, remain in force and effect for the duration of the contract.
2. A supplemental teacher-effectiveness compensation plan authorized by this Act may take effect on July 1, 2012.

**SECTION 32.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Plan review panel - Reimbursement for expenses.**

Each member of the supplemental teacher-effectiveness compensation plan review panel is entitled to receive reimbursement for expenses as provided by law for state officials if the member is attending meetings or performing duties directed by the panel.

**SECTION 33. AMENDMENT.** Section 15.1-36-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-36-02. School construction projects - Loans.**

1. The board of university and school lands may authorize the use of moneys in the coal development trust fund established pursuant to section 21 of article X of the Constitution of North Dakota and subsection 1 of section 57-62-02 to provide school construction loans, as described in this chapter. The outstanding principal balance of loans under this chapter may not exceed fifty million dollars. The board may adopt policies and rules governing school construction loans.
2. In order to be eligible for a loan under this section, the board of a school district shall:
  - a. Propose a construction project with a cost of at least one million dollars and an expected utilization of at least thirty years;
  - b. Obtain the approval of the superintendent of public instruction for the construction project under section 15.1-36-01; and
  - c. Submit to the superintendent of public instruction an application containing all information deemed necessary by the superintendent, including potential alternative sources or methods of financing the construction project.
3. The superintendent of public instruction shall give priority to any district that meets the requirements for receipt of an equity payment under section 15.1-27-11.
4. If an eligible school district's imputed taxable valuation per student is less than eighty percent of the state average imputed valuation per student, the district is entitled to receive:
  - a. A school construction loan equal to the lesser of ~~eight~~twelve million dollars or eighty percent of the actual project cost;
  - b. An interest rate discount equal to at least ~~fifty~~one hundred but not more than two hundred fifty basis points below the prevailing tax-free bond rates; and
  - c. A term of repayment that may extend up to twenty years.
5. If an eligible school district's imputed taxable valuation per student is equal to at least eighty percent but less than ninety percent of the state average imputed taxable valuation per student, the district is entitled to receive:
  - a. A school construction loan equal to the lesser of ~~seventen~~ten million dollars or seventy percent of the actual project cost;
  - b. An interest rate buydown equal to at least ~~fifty~~one hundred but not more than two hundred fifty basis points below the prevailing tax-free bond rates; and
  - c. A term of repayment that may extend up to twenty years.

- 6. If an eligible school district's imputed taxable valuation per student is equal to at least ninety percent of the state average imputed taxable valuation per student, the district is entitled to receive:
  - a. A school construction loan equal to the lesser of ~~two~~four million-~~five hundred thousand~~ dollars or thirty percent of the actual project cost;
  - b. An interest rate discount equal to at least ~~fiftyone~~ hundred but not more than two hundred fifty basis points below the prevailing tax-free bond rates; and
  - c. A term of repayment that may extend up to twenty years.
- 7. The board of a school district may submit its loan application to the superintendent of public instruction before or after receiving authorization of a bond issue in accordance with chapter 21-03. If the vote to authorize a bond issue precedes the application for a loan, the application must be acted upon by the superintendent expeditiously but no later than one hundred eighty days from the date it is received by the superintendent.
- 8. The superintendent of public instruction shall consider each loan application in the order it received approval under section 15.1-36-01.
- 9. If the superintendent of public instruction approves the loan, the superintendent may determine the loan amount, the term of the loan, and the interest rate, in accordance with the requirements of this section.
- 10. The superintendent of public instruction may adopt rules governing school construction loans.
- 11. For purposes of this section, a construction project means the purchase, lease, erection, or improvement of any structure or facility by a school board, provided the acquisition or activity is within a school board's authority.

**SECTION 34. AMENDMENT.** Section 15.1-37-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-37-01. Early childhood education program - Approval.**

- 1. Any person or school district operating an early childhood education program may request approval of the program from the superintendent of public instruction. The superintendent shall approve an early childhood education program if the program:
  - ~~1.a.~~ Is taught by individuals who are licensed to teach in early childhood education by the education standards and practices board;
  - ~~2.b.~~ Follows a developmentally appropriate curriculum; ~~and~~
  - ~~3.c.~~ Is in compliance with all municipal and state health, fire, and safety requirements; ~~and~~
  - d. Limits its enrollment to children who have reached the age of four before August first in the year of enrollment.

- 2. ~~Per student funding will not be provided to individuals or school districts offering a prekindergarten.~~ In determining the state aid payments to which a school district is entitled, the superintendent of public instruction may not count any student enrolled in a regular early childhood education program.

**SECTION 35. AMENDMENT.** Subsection 1 of section 15.1-37-02 of the North Dakota Century Code is amended and reenacted as follows:

- 1. The North Dakota early childhood education council consists of:
  - a. A chairman appointed by the governor;
  - b. The superintendent of public instruction, or the superintendent's designee;
  - c. The state health officer, or the officer's designee;
  - d. The director of the department of human services, or the director's designee;
  - e. The North Dakota head start - state collaboration administrator, or the administrator's designee;
  - f. The commissioner of higher education, or the commissioner's designee;
  - g. The commissioner of commerce, or the commissioner's designee;
  - h. The chairman of the senate education committee, or the chairman's designee;
  - ~~h.i.~~ i. The chairman of the house of representatives education committee, or the chairman's designee; and
  - ~~h.j.~~ j. The following gubernatorial appointees:
    - (1) The superintendent of a school district having at least one thousand students in average daily membership;
    - (2) The superintendent of a school district having fewer than one thousand students in average daily membership;
    - (3) The superintendent of a school district headquartered on a reservation or including reservation land within its boundaries;
    - (4) ~~The principal of a school district;~~
    - (5) ~~An individual employed as an elementary school teacher;~~
    - (6) An individual representing a non-religious-based provider of preschool~~preschool~~early childhood education;
    - ~~(7)~~(5) An individual representing a religious-based provider of preschool~~preschool~~early childhood education;
    - ~~(8)~~(6) An individual representing a center-based licensed child care provider;
    - ~~(9)~~(7) An individual representing a home-based licensed child care provider;

- ~~(10)~~(8) An individual representing a reservation-based head start program;
- ~~(11)~~(9) An elected member of a school board;
- ~~(12)~~(10) The parent of a child not yet enrolled in elementary school; ~~and~~
- ~~(13)~~(11) The parent of a child with ~~special needs~~disabilities not yet enrolled in elementary school; and
- (12) An individual representing children with disabilities.

**SECTION 36. AMENDMENT.** Section 15.1-37-03 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-37-03. Council - Duties.**

The council shall:

1. Review the delivery availability and provision of early childhood education, care, and services in this state;
2. ~~Conduct a needs assessment;~~
3. ~~Review early childhood education standards and propose revisions to the standards as needed;~~
4. ~~Review~~Identify opportunities for public and private sector collaboration in the delivery provision of early childhood education, care, and services in this state;
5. ~~Develop a comprehensive plan governing the delivery of early childhood education in this state; and~~
- 6-3. Identify ways to assist with the recruitment and retention of individuals interested in working as providers of early childhood education, care, and services, including training and continuing education or professional development opportunities;
4. Seek the advice and guidance of individuals who are uniquely familiar with the nature, scope, and associated challenges of providing early childhood education, care, and services in geographically and socioeconomically diverse settings, and develop recommendations pertaining to the short-term and longer-term improvement and expansion of early childhood education, care, and services in this state; and
5. Provide a biennial report regarding its activities findings and recommendations to the governor and the legislative ~~council~~assembly.

**SECTION 37. AMENDMENT.** Section 57-15-14 of the North Dakota Century Code is amended and reenacted as follows:

**57-15-14. General fund levy limitations in school districts.**

The aggregate amount levied each year for the purposes listed in section 57-15-14.2 by any school district, except the Fargo school district, may not exceed the

amount in dollars which the school district levied for the prior school year plus twelve percent up to a general fund levy of one hundred eighty-five mills on the dollar of the taxable valuation of the district, except that:

1. In any school district having a total population in excess of four thousand according to the last federal decennial census there may be levied any specific number of mills that upon resolution of the school board has been submitted to and approved by a majority of the qualified electors voting upon the question at any regular or special school district election.
2. In any school district having a total population of fewer than four thousand, there may be levied any specific number of mills that upon resolution of the school board has been approved by fifty-five percent of the qualified electors voting upon the question at any regular or special school election.
3. After June 30, 2009, in any school district election for approval by electors of increased levy authority under subsection 1 or 2, the ballot must specify the number of mills proposed for approval, and the number of taxable years for which that approval is to apply. After June 30, 2009, approval by electors of increased levy authority under subsection 1 or 2 may not be effective for more than ten taxable years.
4. The authority for a levy of up to a specific number of mills under this section approved by electors of a school district before July 1, 2009, is terminated effective for taxable years after 2015. If the electors of a school district subject to this subsection have not approved a levy for taxable years after 2015 of up to a specific number of mills under this section by December 31, 2015, the school district levy limitation for subsequent years is subject to the limitations under section 57-15-01.1 or this section.
5. The authority for an unlimited levy approved by electors of a school district before July 1, 2009, is terminated effective for taxable years after 2015. If the electors of a school district subject to this subsection have not approved a levy of up to a specific number of mills under this section by December 31, 2015, the school district levy limitation for subsequent years is subject to the limitations under section 57-15-01.1 or this section.
6. A school district that experiences a rapidly increasing taxable valuation may levy, for the taxable year of the rapidly increasing taxable valuation and the next taxable year, the amount in dollars which the school district levied for the prior school year plus eighteen percent, up to a general fund levy of one hundred eighty-five mills on the dollar of the taxable valuation of the district. For purposes of this subsection, "rapidly increasing taxable valuation" means an increase of twenty percent or more in taxable valuation from the immediately preceding taxable year.

The question of authorizing or discontinuing such specific number of mills authority in any school district must be submitted to the qualified electors at the next regular election upon resolution of the school board or upon the filing with the school board of a petition containing the signatures of qualified electors of the district equal in number to ten percent of the number of electors who cast votes in the most recent election in the school district. However, not fewer than twenty-five signatures are required. However, the approval of discontinuing such authority does not affect the tax levy in the calendar year in which the election is held. The election must be held in the same



manner and subject to the same conditions as provided in this section for the first election upon the question of authorizing the mill levy.

**SECTION 38. ISOLATED SCHOOLS - TRANSITION PAYMENTS.**

- 1. If during the 2010-11 school year a school district received payments as a result of section 15.1-27-15, as the section existed on June 30, 2011, and if that district is not eligible for the factor established under subdivision j of subsection 1 of section 15.1-27-03.1, the district is entitled to the following transition payments:
  - a. For the 2011-12 school year, an amount equal to that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011;
  - b. For the 2012-13 school year, an amount equal to seventy-five percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011;
  - c. For the 2013-14 school year, an amount equal to fifty percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011; and
  - d. For the 2014-15 school year, an amount equal to twenty-five percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011.
- 2. Upon the closure of a school that met the definition of isolated under section 15.1-27-15, as it existed on June 30, 2011, the superintendent of public instruction shall cease to provide to the district the transition payments established under subsection 1.

**SECTION 39. TRANSPORTATION GRANTS - DISTRIBUTION.**

- 1. During each year of the 2011-13 biennium, the superintendent of public instruction shall calculate the payment to which each school district is entitled based on the state transportation formula as it existed on June 30, 2001, except that the superintendent shall provide reimbursement at the rate of:
  - a. One dollar and three cents per mile for schoolbuses having a capacity of ten or more passengers;
  - b. Forty-six cents per mile for vehicles having a capacity of nine or fewer passengers;
  - c. Forty-six cents per mile, provided:
    - (1) The student being transported is a student with a disability, as defined in chapter 15.1-32;
    - (2) The student's individualized education program plan requires that the student attend a public or a nonpublic school located outside the student's school district of residence;
    - (3) The student is transported by an adult member of the student's family;

- (4) The student is transported in a vehicle furnished by the student's parents;
  - (5) The student's transportation is paid for by the student's parents; and
  - (6) The reimbursement does not exceed two round trips daily between the student's home and school.
- d. Forty-six cents per mile, one way, provided:
- (1) The student being transported resides more than two miles from the public school that the student attends;
  - (2) The student is transported by an adult member of the student's family;
  - (3) The student is transported in a vehicle furnished by the student's parents; and
  - (4) The student's transportation is paid for by the student's parents; and
- e. Twenty-six cents per student for each one-way trip.

- 2. The superintendent of public instruction shall use the latest available student enrollment count in each school district in applying the provisions of subsection 1.
- 3. If any moneys provided for transportation payments in the grants transportation line item in the appropriation bill for the superintendent of public instruction, as approved by the sixty-second legislative assembly, remain after application of the formula provided for in this section, the superintendent of public instruction shall prorate the remaining amounts according to the percentage of the total transportation formula amount to which each school district is entitled.
- 4. This section does not authorize the reimbursement of any costs incurred in providing transportation for student attendance at extracurricular activities or events.

**SECTION 40. SCHOOL DISTRICT RAPID ENROLLMENT GROWTH - GRANTS.** During the 2011-13 biennium, the superintendent of public instruction shall expend up to \$5,000,000 from the grants - other grants line item in the appropriation bill for the superintendent of public instruction, as approved by the sixty-second legislative assembly, for the purpose of providing a grant to any school district that can demonstrate rapid enrollment growth in accordance with this section.

- 1. If the number of full-time equivalent students enrolled in a school district has increased by at least three percent annually and if that increase is equal to at least twenty-five full-time equivalent students, as demonstrated by the district's September tenth fall enrollment report, the district is entitled to receive a grant equal to thirty percent of the per student payment provided for in section 15.1-27-04 multiplied by the actual increase in its full-time equivalent student enrollment.

2. If the number of full-time equivalent students enrolled in a school district has increased by at least seven percent annually and if that increase is equal to at least twenty-five full-time equivalent students, as demonstrated by the district's September tenth fall enrollment report, the district is entitled to receive a grant equal to seventy percent of the per student payment provided for in section 15.1-27-04 multiplied by the actual increase in its full-time equivalent student enrollment.
3. If the number of full-time equivalent students enrolled in a school district has increased by at least thirteen percent annually and if that increase is equal to at least twenty-five full-time equivalent students, as demonstrated by the district's September tenth fall enrollment report, the district is entitled to receive a grant equal to the per student payment provided for in section 15.1-27-04 multiplied by the actual increase in its full-time equivalent student enrollment.
4. If the amount of the expenditure provided for in this section is insufficient to meet the obligations of this section, the superintendent of public instruction shall prorate the payment based on the percentage of the total amount to which each school district is entitled.
5. A district may not receive more than \$800,000 annually in accordance with this section.

**SECTION 41. SUPPLEMENTAL TEACHER-EFFECTIVENESS**

**COMPENSATION PLAN - GRANTS.** During the 2011-13 biennium, the superintendent of public instruction shall expend up to \$700,000 from the grants - other grants line item in the appropriation bill for the superintendent of public instruction, as approved by the sixty-second legislative assembly for the purpose of providing a grant to any school district that submits an eligible supplemental teacher-effectiveness compensation plan in accordance with section 27 of this Act.

1. The amount of the grant to which a district is entitled must provide reimbursement for any costs the district incurred in developing the plan.
2. If providing the grants to each eligible district would exceed the expenditure authorized by this section, the superintendent of public instruction, with the advice of the review panel, shall select districts of varying size to receive the grants and shall prioritize the grants based on those plans that show the greatest potential to increase teacher-effectiveness through supplemental compensation. For purposes of this subsection, the superintendent of public instruction shall consider a district to be:
  - a. Small, if it has fewer than one thousand weighted student units;
  - b. Medium, if it has at least one thousand but fewer than five thousand weighted student units; and
  - c. Large, if it has at least five thousand weighted student units.

**SECTION 42. ALTERNATIVE MIDDLE SCHOOL - GRANTS.**

1. During the 2011-13 biennium, the superintendent of public instruction shall expend up to \$300,000 from the grants - other grants line item in the

appropriation bill for the superintendent of public instruction, as approved by the sixty-second legislative assembly, for the purpose of providing a grant to any school district that offers an alternative education program for students enrolled in grades six through eight.

2. The superintendent of public instruction shall determine the amount to which a school district is entitled under this section based on the district's percentage of the statewide number of students in grades six through eight who are enrolled in an alternative education program for at least fifteen hours per week.
3. A district may not receive more than \$15,000 annually in accordance with this section.

**SECTION 43. USE OF NEW MONEY - TEACHER COMPENSATION INCREASES - REPORTS TO THE LEGISLATIVE MANAGEMENT.**

1. During the 2011-13 biennium, the board of each school district shall use an amount equal to at least seventy percent of all new money received by the district for per student payments to increase the compensation paid to teachers and to provide compensation to teachers who begin employment with the district on or after July 1, 2011.
2. For purposes of this section, the superintendent of public instruction shall calculate the amount of new money received by a district during the 2011-13 biennium by:
  - a. Determining the total amount of state dollars received by each district during the 2009-11 biennium as per student payments, provided that equity payments, transportation payments, contingency distributions, mill levy reduction payments, and technology support payments are not to be included in the total;
  - b. Determining the total amount of state dollars received by each district during the 2011-13 biennium as per student payments, provided that the following are not to be included in the total:
    - (1) Contingent distributions;
    - (2) Cross-border attendance moneys;
    - (3) Deferred maintenance and physical plant improvements grants;
    - (4) Equity payments;
    - (5) Federal education jobs funds program moneys;
    - (6) Home-based education program monitoring moneys;
    - (7) Mill levy reduction payments;
    - (8) PowerSchool acquisition, implementation, and utilization moneys;
    - (9) Regional education association moneys and grants; and
    - (10) Transportation payments; and

- 3-0-1
- c. Subtracting the amount arrived at under subdivision a from the amount arrived at under subdivision b.
  3. School districts providing educational services under a cooperative agreement approved by the superintendent of public instruction must, for purposes of this section, be treated as a single district.
  4.
    - a. This section does not apply to a school district if the board of the school district, after a public hearing at which public testimony and documentary evidence are accepted, determines in its discretion and by an affirmative vote of two-thirds of the members of the board that complying with subsection 1 would place the school district in the position of having insufficient fiscal resources to meet the school district's other obligations.
    - b. Within ten days of the vote required by subdivision a, the school board shall notify the superintendent of public instruction of its action and shall file a report detailing the grounds for its determination and action.
    - c. The superintendent of public instruction shall report all notices received under this subsection to the legislative management.

**SECTION 44. CONTINGENT MONEY.** If any money appropriated to the superintendent of public instruction for state aid payments to school districts remains after the superintendent complies with all statutory payment obligations imposed for the biennium beginning July 1, 2011, and ending June 30, 2013, the superintendent shall use the remaining moneys to provide additional per student payments on a prorated basis according to the latest available average daily membership of each school district.

**SECTION 45. CONTINGENT TRANSFER BY BANK OF NORTH DAKOTA FOR SPECIAL EDUCATION.** If during the biennium beginning July 1, 2011, and ending June 30, 2013, the superintendent of public instruction determines that, using all available sources, there are insufficient funds with which to fully reimburse school districts for the excess costs of serving the one percent of special education students statewide who require the greatest school district expenditures in order to be provided with special education and related services, the industrial commission shall transfer from the earnings and accumulated and undivided profits of the Bank of North Dakota the amount the superintendent of public instruction certifies is necessary to provide the statutorily required level of reimbursement. The superintendent of public instruction shall file for introduction legislation requesting that the sixty-third legislative assembly return any amount transferred under this section to the Bank of North Dakota.

**SECTION 46. LEGISLATIVE MANAGEMENT STUDY - ADULT EDUCATION.** During the 2011-12 interim, the legislative management shall consider studying the provision and funding of adult education. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-third legislative assembly.

**SECTION 47. EDUCATION FUNDING AND TAXATION COMMITTEE - STUDY.**

1. The education funding and taxation committee consists of:
  - a. The following nine voting members:

- (1) The chairman of the house education committee, or the chairman's designee;
  - (2) The chairman of the house finance and taxation committee, or the chairman's designee;
  - (3) The chairman of the senate education committee, or the chairman's designee;
  - (4) The chairman of the senate finance and taxation committee, or the chairman's designee; and
  - (5) Five legislators appointed by the chairman of the legislative management; and
- b. The following five nonvoting members:
- (1) The tax commissioner or the commissioner's designee;
  - (2) The superintendent of public instruction or the superintendent's designee;
  - (3) A representative of the governor, selected by the governor; and
  - (4) Two school district business managers, appointed by the legislative management.
2. The chairman of the legislative management shall select one from among the voting members to serve as the chairman of the committee.
  3. The committee shall operate according to the statutes and procedure governing the operation of other legislative management interim committees.
  4. The committee shall examine short-term and longer-term state and local involvement in funding elementary and secondary education. The committee shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the legislative management.

**SECTION 48. REPEAL.** Section 6 of this Act and sections 15.1-18.2-01, 15.1-18.2-02, and 15.1-18.2-03 of the North Dakota Century Code are repealed.

**SECTION 49. REPEAL.** Section 15.1-27-15 of the North Dakota Century Code is repealed.

**SECTION 50. EFFECTIVE DATE.** Section 48 of this Act becomes effective on July 1, 2013."

Renumber accordingly

Date: 4/12  
Roll Call Vote #: 1

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2150

House Appropriations Committee

Legislative Council Amendment Number 07035

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

Motion Made By Rep. Monson Seconded By Rep. Skarphol

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer			Representative Nelson		
Vice Chairman Kempenich			Representative Wieland		
Representative Pollert					
Representative Skarphol					
Representative Thoreson			Representative Glassheim		
Representative Bellew			Representative Kaldor		
Representative Brandenburg			Representative Kroeber		
Representative Dahl			Representative Metcalf		
Representative Dosch			Representative Williams		
Representative Hawken					
Representative Klein					
Representative Kreidt					
Representative Martinson					
Representative Monson					

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

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

voice vote carries

Date: 4/12  
Roll Call Vote #: 2

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2150

House Appropriations Committee

Legislative Council Amendment Number .07035

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

Motion Made By Rep. Skarphol Seconded By Rep. Dosch

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer		X	Representative Nelson		X
Vice Chairman Kempenich	X		Representative Wieland	X	
Representative Pollert	X				
Representative Skarphol	X				
Representative Thoreson	X		Representative Glassheim		X
Representative Bellew	X		Representative Kaldor		X
Representative Brandenburg	X		Representative Kroeber		X
Representative Dahl	X		Representative Metcalf		X
Representative Dosch	X		Representative Williams	X	
Representative Hawken	X				
Representative Klein	X				
Representative Kreidt	X				
Representative Martinson	X				
Representative Monson	X				

Total (Yes) 15 No 6

Absent 0

Floor Assignment Rep. Skarphol

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



**REPORT OF STANDING COMMITTEE**

**SB 2150, as reengrossed and amended: Appropriations Committee (Rep. Delzer, Chairman) recommends AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 5 NAYS, 2 ABSENT AND NOT VOTING). Reengrossed SB 2150, as amended, was placed on the Sixth order on the calendar.

In lieu of the amendments adopted by the House as printed on pages 1229-1268 of the House Journal, Reengrossed Senate Bill No. 2150 is amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 15.1-09.1, four new sections to chapter 15.1-18.2, two new sections to chapter 15.1-21, and eight new sections to chapter 15.1-27 of the North Dakota Century Code, relating to regional education associations, the professional development advisory committee, North Dakota scholarships, and supplemental teacher-effectiveness compensation; to amend and reenact sections 15.1-06-04, 15.1-07-33, 15.1-09-58, 15.1-09.1-02, 15.1-21-02.1, 15.1-21-02.4, 15.1-21-02.5, 15.1-21-02.6, 15.1-21-08, 15.1-21-18, 15.1-21-19, 15.1-22-01, 15.1-27-03.1, 15.1-27-04, 15.1-27-07.2, 15.1-27-11, 15.1-27-35.3, 15.1-36-02, and 15.1-37-01, subsection 1 of section 15.1-37-02, and sections 15.1-37-03 and 57-15-14 of the North Dakota Century Code, relating to the school calendar, technology, regional education associations, curriculum requirements, assessments, scholarships, student consultations, state aid, school construction funding, early childhood education, care, and services, and taxable valuations; to repeal section 6 of this Act and sections 15.1-18.2-01, 15.1-18.2-02, 15.1-18.2-03, and 15.1-27-15 of the North Dakota Century Code, relating to professional development and isolated schools; to provide for compensation increases, transition payments, contingent payments, and the distribution of transportation grants, supplemented teacher-effectiveness compensation grants, and rapid enrollment growth grants; to provide for legislative management studies; and to provide an effective date.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. AMENDMENT.** Section 15.1-06-04 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-06-04. School calendar - Length.**

1. During the 2009-10 school year, a school district shall provide for a school calendar of at least one hundred eighty days.
  - a. One hundred seventy-three days must be used for instruction;
  - b. Three days must be used for holidays, as selected by the school board in consultation with district teachers from the list provided for in subdivisions b through j of subsection 1 of section 15.1-06-02;
  - c. Up to two days must be used for:
    - (1) Parent-teacher conferences; or
    - (2) Compensatory time for parent-teacher conferences held outside regular school hours; and
  - d. Two days must be used for professional development.
2. ~~During~~Beginning with the 2010-11 school year, a school district shall provide for a school calendar of at least one hundred eighty-one days.
  - a. One hundred seventy-four days must be used for instruction;

- b. Three days must be used for holidays, as selected by the board in consultation with district teachers from the list provided for in subdivisions b through j of subsection 1 of section 15.1-06-02;
    - c. Up to two days must be used for:
      - (1) Parent-teacher conferences; or
      - (2) Compensatory time for parent-teacher conferences held outside of regular school hours; and
    - d. Two days must be used for professional development.
  3. Beginning with the ~~2011-12~~2012-13 school year, a school district shall provide for a school calendar of at least one hundred eighty-two days.
    - a. One hundred seventy-five days must be used for instruction;
    - b. Three days must be used for holidays, as selected by the board in consultation with district teachers from the list provided for in subdivisions b through j of subsection 1 of section 15.1-06-02;
    - c. Up to two days must be used for:
      - (1) Parent-teacher conferences; or
      - (2) Compensatory time for parent-teacher conferences held outside of regular school hours; and
    - d. Two days must be used for professional development.
  4. A day for professional development must consist of:
    - a. Six hours of professional development, exclusive of meals and other breaks, conducted within a single day; or
    - b. Two four-hour periods of professional development, exclusive of meals and other breaks, conducted over two days.
  5. If a school district offers a four-hour period of professional development, as permitted in subdivision b of subsection 4, the school district may schedule instruction during other available hours on that same day and be credited with providing one-half day of instruction to students. This subsection does not apply unless the one-half day of instruction equals at least one-half of the time required for a full day of instruction, as defined in this section.
  6.
    - a. In meeting the requirements for two days of professional development under this section, a school district may require that its teachers attend the North Dakota education association instructional conference and may pay teachers for attending the conference, provided their attendance is verified.
    - b. In meeting the requirements for two days of professional development under this section, a school district may consider attendance at the North Dakota education association instructional conference to be optional, elect not to pay teachers for attending the instructional conference, and instead direct any resulting savings toward providing alternate professional development opportunities.

- c. A school district may not require the attendance of teachers in school or at any school-sponsored, school-directed, school-sanctioned, or school-related activities and may not schedule classroom instruction time nor alternate professional development activities on any day that conflicts with the North Dakota education association instructional conference.
7. Beginning with the 2010-11 school year, if a school district elects to provide an optional third day of professional development, the school district shall do so by:
  - a. Meeting the requirements for a day of professional development as set forth in subsection 4; or
  - b. Shortening four instructional days, for the purpose of providing for two-hour periods of professional development, provided:
    - (1) Each instructional day on which such professional development occurs includes at least four hours of instruction for kindergarten and elementary students and four and one-half hours for high school students;
    - (2) The instructional time for each course normally scheduled on that day is reduced proportionately or the daily schedule is reconfigured to ensure that the same course is not subject to early dismissal more than one time per school calendar, as a result of this subdivision; and
    - (3) All teachers having a class dismissed as a result of this subdivision are required to be in attendance and participate in the professional development.
8.
  - a. If a school's calendar provides for an extension of each schoolday beyond the statutorily required minimum number of hours, and if the extensions when aggregated over an entire school year amount to more than eighty-four hours of additional classroom instruction during the school year, the school is exempt from having to make up six hours of instruction time lost as a result of weather-related closure. In order to make up lost classroom instruction time beyond the six hours, the school must extend its normal school calendar day by at least thirty minutes.
  - b. A school that does not qualify under the provisions of this subsection must extend its normal schoolday by at least thirty minutes to make up classroom instruction time lost as a result of weather-related closure.
  - c. If because of weather a school must dismiss before completing a full day of instruction, the school is responsible for making up only those hours and portions of an hour between the time of early dismissal and the conclusion of a full day of classroom instruction.
9. For purposes of this section, a full day of instruction consists of:
  - a. At least five and one-half hours for kindergarten and elementary students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction; and
  - b. At least six hours for high school students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction.

**SECTION 2. AMENDMENT.** Section 15.1-07-33 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-07-33. Student information system - Statewide coordination - Financial support - Exemption.**

1. Notwithstanding any other technology requirements imposed by the superintendent of public instruction, the information technology department, or the North Dakota educational technology council, each school district shall acquire PowerSchool through the information technology department and use it as its principal student information system.
2. The superintendent of public instruction shall forward that portion of a school district's state aid which is payable by the superintendent under subdivision n of subsection 1 of section 15.1-27-03.1 directly to the information technology department to reimburse the department for the cost of the school district's acquisition, implementation, or utilization of PowerSchool and any related technology support services. The superintendent shall forward the amount payable under this subsection at the same time and in the same manner as provided for other state aid payments under section 15.1-27-01.
3. If the portion of a school district's state aid forwarded to the information technology department under subsection 2 exceeds the cost incurred by the information technology department in providing for the school district's acquisition, implementation, or utilization of PowerSchool and any related technology support services, the information technology department shall return the excess moneys to the superintendent of public instruction for redistribution to the school district as per student payments.
4. The superintendent of public instruction may exempt a school district from having to acquire and utilize PowerSchool if the school district demonstrates that, in accordance with requirements of the bureau of Indian education, the district has acquired and is utilizing a student information system that is determined to be comparable by the superintendent.

**SECTION 3. AMENDMENT.** Section 15.1-09-58 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-09-58. Prekindergarten programEarly childhood education - Authorization - Support.**

~~The board of a school district may establish a prekindergarten an early childhood program and may receive and expend any state moneys specifically appropriated for the program, any federal funds support that program with:~~

1. Local tax revenues, other than those necessary to support the district's kindergarten program and the district's provision of elementary and high school educational services;
2. Federal moneys specifically appropriated or approved for the program; and any gifts
3. Gifts, grants, and donations specifically given for the program.

**SECTION 4. AMENDMENT.** Section 15.1-09.1-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-09.1-02. Regional education association - Joint powers agreement - Review by superintendent of public instruction - Criteria.**

Before in order for a group of school districts may to be designated as a regional education association, the superintendent of public instruction shall review the joint powers agreement that the districts have entered and verify that: the requirements of this section have been met.

1. The school districts must:
  - a. Have a combined total land mass of at least five thousand eight hundred square miles [1502193 hectares];
  - b. (1) Have a combined total land mass of at least four thousand five hundred square miles [1165494 hectares]; and  
(2) Number at least twelve;
  - c. (1) Have a combined total land mass of at least four thousand square miles [1035995 hectares]; and  
(2) Have at least three thousand students in average daily membership; or
  - d. (1) Have a combined total land mass of at least one thousand five hundred square miles [388498 hectares]; and  
(2) Have at least seven thousand five hundred students in average daily membership.
2. The school districts ~~are~~must be contiguous to each other or, if the districts are not contiguous to each other, the superintendent of public instruction shall verify that the participating districts can provide sound educational opportunities to their students in a fiscally responsible manner without injuring other school districts or regional education associations and without negatively impacting the ability of other school districts or regional education associations to provide sound educational opportunities to their students in a fiscally responsible manner. A decision by the superintendent of public instruction under this subsection may be appealed to the state board of public school education. A decision by the state board is final.
3. The joint powers agreement ~~requires~~must require that the participating school districts maintain a joint operating fund ~~and share various administrative functions and student services in accordance with subsection 4.~~
4. ~~a. During the first two school years in which a regional education association is operational, each participating school district shall share in at least two administrative functions and two student services, selected by the district.~~
  - b. ~~During the third and fourth school years in which a regional education association is operational, each participating school district shall share in at least three administrative functions and three student services, selected by the district.~~
  - e. ~~During the fifth school year in which a regional education association is operational, and each year thereafter, each participating school district shall share at least five administrative functions and five student services, selected by the district.~~

d. For purposes of this subsection:

(1) "Administrative functions" means:

- (a) Business management;
- (b) Career and technical education services management;
- (c) Curriculum mapping or development;
- (d) Data analysis;
- (e) Federal program support;
- (f) Federal title program management;
- (g) Grant writing;
- (h) School improvement;
- (i) School safety and environment management;
- (j) Special education services management;
- (k) Staff development;
- (l) Staff retention and recruitment;
- (m) Staff sharing;
- (n) Technology support; and
- (o) Any other functions approved by the superintendent of public instruction.

(2) "Student services" means:

- (a) Advanced placement classes;
- (b) Alternative high schools or alternative high school programs;
- (c) Career and technical education classes;
- (d) Counseling services;
- (e) Common elementary curricula;
- (f) Distance learning classes;
- (g) Dual credit classes;
- (h) Foreign language classes;
- (i) Library and media services;
- (j) Summer programs;
- (k) Supplemental instruction programs; and

- (f) ~~Any other services approved by the superintendent of public instruction.~~
- e. ~~For purposes of this subsection, if a regional education association became operational before July 1, 2006, the 2005-06 school year must be considered the provider's first year of operation.~~
6. The joint powers agreement ~~provides~~must provide:
- Criteria for the future participation of school districts that were not parties to the original joint powers agreement;
  - An application process by which school districts that were not parties to the original joint powers agreement can become participating districts; and
  - A process by which school districts that were not parties to the original joint powers agreement and whose application to participate in the agreement was denied can appeal the decision to the superintendent of public instruction.
- 6.5. The joint powers agreement ~~provides~~must provide for the employment and compensation of staff.
- 7.6. The joint powers agreement must:
- ~~Establishes~~Establish the number of members on the governing board;
  - ~~Establishes~~Establish the manner in which members of the governing board are determined;
  - ~~Requires all members~~Require that each member of the governing board ~~or their designees to be individuals~~be an individual currently serving on the board of a participating school district ~~or the designee of a participating school district's board~~; and
  - ~~Allows~~Allow for the inclusion of ex officio nonvoting members on the governing board.
- 8.7. The joint powers agreement ~~provides~~must provide that the board of the regional education association shall meet at least quarterly.
- 9.8. The joint powers agreement ~~does~~may not permit the regional education association to compensate members of the regional education association board for attending meetings of the board and does not permit the regional education association to reimburse members of the board for any expenses incurred in attending meetings of the board.

**SECTION 5.** A new section to chapter 15.1-09.1 of the North Dakota Century Code is created and enacted as follows:

**Regional education association - Services to be offered.**

- In order to be eligible for state funding, a regional education association must offer the following services to its member districts:
  - Coordination and facilitation of professional development activities for teachers and administrators employed by its member districts;
  - Supplementation of technology support services;

- c. Assistance with achieving school improvement goals identified by the superintendent of public instruction;
  - d. Assistance with the collection, analysis, and interpretation of student achievement data; and
  - e. Assistance with the expansion and enrichment of curricular offerings.
2. Subsection 1 does not preclude a regional education association from offering additional services to its member districts.

**SECTION 6.** A new section to chapter 15.1-18.2 of the North Dakota Century Code is created and enacted as follows:

**Professional development advisory committee - Reimbursement of members.**

Each member of the professional development advisory committee is entitled to receive reimbursement for expenses as provided by law for state officers if the member is attending committee meetings, except that no member may receive reimbursement under this section for more than three committee meetings during each year of the biennium.

**SECTION 7.** A new section to chapter 15.1-18.2 of the North Dakota Century Code is created and enacted as follows:

**Teacher support program - Establishment.**

The education standards and practices board shall:

1. Establish and administer a teacher support program;
2. Employ an individual to serve as a teacher support program coordinator;
3.
  - a. Select and train experienced teachers who will serve as mentors for first-year teachers and assist the first-year teachers with instructional skills development; or
  - b. If a school district or other employing entity listed in section 9 of this Act is not in need of mentors for its first-year teachers, select and train experienced teachers who will work with school district administrators and administrators from the other employing entities to identify the needs of the non-first-year teachers and help the non-first-year teachers address their particular needs through the use of:
    - (1) Research-validated interventions; and
    - (2) Proven instructional methods.

**SECTION 8.** A new section to chapter 15.1-18.2 of the North Dakota Century Code is created and enacted as follows:

**Teacher support program - Availability of services.**

The education standards and practices board may use any moneys it receives for the teacher support program to provide staff compensation, training, evaluation, and stipends for mentors and experienced teachers who assist first-year and non-first-year teachers participating in the program, and to pay for any other administrative expenses resulting from the program; provided, however, that the



board may not expend more than five percent of the moneys for administrative purposes.

**SECTION 9.** A new section to chapter 15.1-18.2 of the North Dakota Century Code is created and enacted as follows:

**Teacher support program - Authorized service recipients.**

The education standards and practices board may provide support services to teachers employed by:

1. School districts;
2. Special education units;
3. Area career and technology centers;
4. Regional education associations; and
5. Schools funded by the bureau of Indian education.

**SECTION 10. AMENDMENT.** Section 15.1-21-02.1 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.1. High school graduation—Diplomadiploma - Minimum requirements.**

Except as provided in section 15.1-21-02.3, before a school district, a nonpublic high school, or the center for distance education issues a high school diploma to a student, the student must have successfully completed ~~the following twenty two units of high school coursework:~~

1. ~~Four units of English language arts from a sequence that includes literature, composition, and speech;~~
2. ~~Three units of mathematics;~~
3. ~~Three units of science, including:~~
  - a. ~~One unit of physical science;~~
  - b. ~~One unit of biology; and~~
  - c. ~~(1) One unit of any other science; or~~  
~~(2) Two one-half units of any other science;~~
4. ~~Three units of social studies, including:~~
  - a. ~~One unit of United States history;~~
  - b. ~~(1) One-half unit of United States government and one-half unit of economics; or~~  
~~(2) One unit of problems of democracy; and~~
  - c. ~~One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;~~

5. a. One unit of physical education; or
- b. One-half unit of physical education and one-half unit of health;
6. Three units of:
  - a. Foreign languages;
  - b. Native American languages;
  - c. Fine arts; or
  - d. Career and technical education courses; and
7. Any five additional units.
1. The twenty-two units of high school coursework set forth in section 11 of this Act; and
2. Any additional units of high school coursework required by the issuing entity.

**SECTION 11.** A new section to chapter 15.1-21 of the North Dakota Century Code is created and enacted as follows:

**High school graduation - Minimum requirements.**

Except as provided in section 15.1-21-02.3, the following twenty-two units of high school coursework constitute the minimum requirement for high school graduation:

1. Four units of English language arts from a sequence that includes literature, composition, and speech;
2. Three units of mathematics;
3. Three units of science, including:
  - a. One unit of physical science;
  - b. One unit of biology; and
  - c. (1) One unit of any other science; or  
(2) Two one-half units of any other science;
4. Three units of social studies, including:
  - a. One unit of United States history;
  - b. (1) One-half unit of United States government and one-half unit of economics; or  
(2) One unit of problems of democracy; and
  - c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;
5. a. One unit of physical education; or

- b. One-half unit of physical education and one-half unit of health;
- 6. Three units of:
  - a. Foreign languages;
  - b. Native American languages;
  - c. Fine arts; or
  - d. Career and technical education courses; and
- 7. Any five additional units.

**SECTION 12. AMENDMENT.** Section 15.1-21-02.4 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.4. North Dakota career and technical education scholarship.**

Any resident student who graduates from a high school during or after the 2010-11 school year is eligible to receive a North Dakota career and technical education scholarship provided the student ~~completes all requirements set forth in subsections 1 through 5 and subsection 7 of section 15.1-21-02.1 for a high school diploma and:~~

- 1. Completed four units of English language arts from a sequence that includes literature, composition, and speech;
- 2. Completed three units of mathematics, including:
  - a. ~~Completes one~~One unit of algebra II, as defined by the superintendent of public instruction, ~~in fulfillment of the mathematics requirement set forth in subsection 2 of section 15.1-21-02.1; and~~
  - b. ~~Completes two~~Two units of any other mathematics;
- 3. Completed three units of science, including:
  - a. One unit of physical science;
  - b. One unit of biology; and
  - c. (1) One unit of any other science; or  
(2) Two one-half units of any other science;
- 4. Completed three units of social studies, including:
  - a. One unit of United States history;
  - b. (1) One-half unit of United States government and one-half unit of economics; or  
(2) One unit of problems of democracy; and
  - c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;
- 5. a. Completed one unit of physical education; or

- b. One-half unit of physical education and one-half unit of health;
- 6. Completed:
  - a. One unit selected from:
    - (1) Foreign languages;
    - (2) Native American languages;
    - (3) American sign language;
    - (4) Fine arts; or
    - (5) Career and technical education courses; and
  - b. Two units of a coordinated plan of study recommended by the department of career and technical education and approved by the superintendent of public instruction; and
- ~~e-7.~~ Completed any five additional units, two of which must be in the area of career and technical education;
- 2. ~~Obtains a grade of at least "C" in each unit or one-half unit required for the diploma;~~
- 3-8. a. (1) ~~Obtains~~Obtained a cumulative grade point average of at least "B"3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based on all high school units in which the student was enrolled; and
  - (2) Obtained a grade of at least "C" in each unit or one-half unit; or
- b. (1) Obtained a cumulative grade point average of at least 3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based only on the units required by subsections 1 through 7 of this section; and
  - (2) Obtained a grade of at least "C" in each unit or one-half unit; and
- 4-9. ~~Receives~~Received:
  - a. A composite score of at least twenty-four on an ACT; or
  - b. A score of at least five on each of three WorkKeys assessments recommended by the department of career and technical education and approved by the superintendent of public instruction.

**SECTION 13. AMENDMENT.** Section 15.1-21-02.5 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.5. North Dakota academic scholarship.**

Any resident student who graduates from a high school during or after the 2010-11 school year is eligible to receive a North Dakota academic scholarship provided the student ~~completes all requirements set forth in subsections 1 through 5 and subsection 7 of section 15.1-21-02.1 for a high school diploma and:~~

- 1. Completed four units of English language arts from a sequence that includes literature, composition, and speech;

2. Completed three units of mathematics, including:
  - a. ~~Completes one~~One unit of algebra II, as defined by the superintendent of public instruction, ~~in fulfillment of the mathematics requirement set forth in subsection 2 of section 15.1-21-02.1; and~~
  - b. ~~Completes one additional~~One unit of mathematics for which algebra II, as defined by the superintendent of public instruction, is a prerequisite; ~~and~~
- e-3. Completed three units of science, including:
  - a. One unit of physical science;
  - b. One unit of biology; and
  - c. (1) One unit of any other science; or  
(2) Two one-half units of any other science;
4. Completed three units of social studies, including:
  - a. One unit of United States history;
  - b. (1) One-half unit of United States government and one-half unit of economics; or  
(2) One unit of problems of democracy; and
  - c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;
5. a. Completed one unit of physical education; or  
b. One-half unit of physical education and one-half unit of health;
6. a. Completed:
  - (1) Two units of the same foreign or native American language;
  - (2) ~~One unit of fine arts or career and technical education~~American sign language; and

(3)b. One unit of a foreign or native selected from:

  - (1) Foreign languages;
  - (2) Native American language, fine languages;
  - (3) American sign language;
  - (4) Fine arts, or career; or
  - (5) Career and technical education;
2. ~~Obtains a grade of at least "C" in each unit or one-half unit required for the diploma;~~

- ~~3-7.~~ Obtains~~Completed any five additional units, one of which must be in the area of fine arts or career and technical education;~~
8. a. (1) Obtained a cumulative grade point average of at least "B"3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based on all high school units in which the student was enrolled; and
- (2) Obtained a grade of at least "C" in each unit or one-half unit; or
- b. (1) Obtained a cumulative grade point average of at least 3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based only on the units required by subsections 1 through 7 of this section; and
- (2) Obtained a grade of at least "C" in each unit or one-half unit;
- ~~4-9.~~ Receives~~Received~~ a composite score of at least twenty-four on an ACT; and
- ~~5-10.~~ a. Completes~~Fulfilled any one unit requirement set forth in subsections 1 through 7 of this section by means of an advanced placement course and examination; or~~
- b. Fullfilled any one-half unit requirement set forth in subsections 1 through 7 of this section by means of a dual-credit course.

**SECTION 14. AMENDMENT.** Section 15.1-21-02.6 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.6. North Dakota scholarship - Amount - Applicability.**

1. a. The state board of higher education shall provide to any student certified as being eligible by the superintendent of public instruction either a North Dakota academic scholarship or a North Dakota career and technical education scholarship in the amount of seven hundred fifty dollars for each semester during which the student is enrolled full time at an accredited institution of higher education in this state and maintains a cumulative grade point average of 2.75.
- b. The state board of higher education shall provide to any student certified as being eligible by the superintendent of public instruction either a North Dakota academic scholarship or a North Dakota career and technical education scholarship in the amount of five hundred dollars for each quarter during which the student is enrolled full time at an accredited institution of higher education in this state and maintains a cumulative grade point average of 2.75.
2. A student is not entitled to receive more than six thousand dollars under this section.
3. The state board of higher education shall forward the scholarship directly to the institution in which the student is enrolled.
4. a. (1) This section does not require a student to be enrolled in consecutive semesters.
- (2) This section does not require a student to be enrolled in consecutive quarters.



of public instruction may not administer the grade eleven test after December first of each school year.

**SECTION 17. AMENDMENT.** Section 15.1-21-18 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-18. Career interest inventory - Educational and career planning - Consultation.**

1. A school district shall administer to students, once during their enrollment in grade seven or eight and once during their enrollment in grade nine or ten, a career interest inventory recommended by the department of career and technical education and approved by the superintendent of public instruction.
2. At least once during the seventh or eighth grade, each school district shall arrange for students to participate in either an individual consultative process or a nine-week course, for the purpose of discussing the results of their career interest inventory, selecting high school courses appropriate to their educational pursuits and career interests, and developing individual high school education plans.
3. Each school district shall notify its high school students that, upon request, a student is entitled to receive a consultative review of the student's individual high school education plan at least once during each high school grade. Upon the request of a student, the school district shall provide the consultative review.
4. Each school district shall verify compliance with the requirements of this section at the time and in the manner required by the superintendent of public instruction.

**SECTION 18. AMENDMENT.** Section 15.1-21-19 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-19. Summative assessment - Selection - Cost - Exemptions.**

1. Except as otherwise provided, each public and nonpublic school student in grade eleven shall take the ACT, including the writing test, or three WorkKeys assessments recommended by the department of career and technical education and approved by the superintendent of public instruction. The student shall determine which summative assessment to take. ~~The student's school district of residence~~ superintendent of public instruction is responsible for the cost of procuring and administering one summative assessment ~~and its administration~~ per student.
2. The student's career advisor or guidance counselor shall meet with the student to review the student's assessment results.
3. A school district superintendent or a school administrator in the case of a nonpublic school student may exempt a student from the requirements of this section if taking the test is not required by the student's individualized education program plan or if other special circumstances exist.
4. ~~If the superintendent of public instruction determines that the cost of the summative assessment and its administration can be reduced through use of a state procurement process, the superintendent shall work with the school districts to procure and arrange for the administration of the assessment and shall withhold each district's share of the total cost from any state aid otherwise payable to the district. At the time and in the manner determined by the superintendent of public instruction, each~~



school district superintendent and each school administrator in the case of a nonpublic school shall report the number of eleventh grade students who:

- a. Took the ACT, including the writing test;
- b. Took the three WorkKeys assessments; and
- c. Were exempted from the requirements of this section, together with the reason for each exemption.

**SECTION 19. AMENDMENT.** Section 15.1-22-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-22-01. Kindergarten - Establishment by board - Request by parent - Levy.**

1. ~~Upon its own motion, the~~The board of a school district ~~may establish a free public kindergarten.~~
2. ~~If the board receives a written request to provide kindergarten from the parent of a student who will be enrolled in the kindergarten, the board shall either provide at least a half-day kindergarten program for the student~~any student enrolled in the district or pay the tuition required for the student to attend at least a half-day kindergarten program in another school district.
- 3.2. The board of a school district that establishes a kindergarten under this section may levy a tax pursuant to subdivision p of subsection 1 of section 57-15-14.2.

**SECTION 20. AMENDMENT.** Section 15.1-27-03.1 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-03.1. ~~(Effective through June 30, 2014) Weighted average daily membership—Determination.~~**

1. ~~For each school district, the superintendent of public instruction shall multiply by:~~
  - a. ~~1.00 the number of full-time equivalent students enrolled in a migrant summer program;~~
  - b. ~~1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;~~
  - c. ~~0.60 the number of full-time equivalent students enrolled in a summer education program;~~
  - d. ~~0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;~~
  - e. ~~0.30 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and are enrolled in a program of instruction for English language learners;~~
  - f. ~~0.25 the number of full-time equivalent students enrolled in an alternative high school;~~

- ~~g. 0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
  - ~~h. 0.25 the number of full-time equivalent students enrolled in an isolated high school;~~
  - ~~i. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 16.1-29-04;~~
  - ~~j. 0.20 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be not proficient and are enrolled in a program of instruction for English language learners;~~
  - ~~k. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;~~
  - ~~l. 0.07 the number of students enrolled in average daily membership, in order to support the provision of special education services;~~
  - ~~m. 0.07 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be somewhat proficient and are enrolled in a program of instruction for English language learners;~~
  - ~~n. 0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; and~~
  - ~~o. 0.002 the number of students enrolled in average daily membership, in order to support technology.~~
2. ~~The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.~~

**(Effective after June 30, 2011) Weighted average daily membership - Determination.**

1. For each school district, the superintendent of public instruction shall multiply by:
  - a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;
  - b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;
  - c. 0.60 the number of full-time equivalent students enrolled in a summer education program;
  - d. 0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;
  - e. 0.30 the number of full-time equivalent students who ~~on~~
    - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be least

proficient and placed in the first of six categories of proficiency; and are

- (2) Are enrolled in a program of instruction for English language learners;
- f. 0.25 the number of full-time equivalent students enrolled in an alternative high school;
- g. ~~0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
- h. ~~0.25 the number of full-time equivalent students enrolled in an isolated high school;~~
- i. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;
- j.h. 0.20 the number of full-time equivalent students who ~~are~~
  - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be ~~not more~~ proficient than students placed in the first of six categories of proficiency and therefore placed in the second of six categories of proficiency; and are
  - (2) Are enrolled in a program of instruction for English language learners;
- k.i. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;
- t.j. ~~0.07~~0.10 the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average daily membership and the district consists of an area greater than two hundred seventy-five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students in average daily membership must be deemed to have an enrollment equal to fifty students in average daily membership;
- k. 0.073 the number of students enrolled in average daily membership, in order to support the provision of special education services;
- m.l. 0.07 the number of full-time equivalent students who ~~are~~
  - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be ~~somewhat more~~ proficient and ~~are~~ than students placed in the second of six categories of proficiency and therefore placed in the third of six categories of proficiency;
  - (2) Are enrolled in a program of instruction for English language learners; and
  - (3) Have not been in the third of six categories of proficiency for more than three years;
- n.m. 0.025 the number of students representing that percentage of the total number of students in average daily membership which is

equivalent to the three-year average percentage of students in grades three through eight who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.];

- n. 0.006 the number of students enrolled in average daily membership in each public school in the district that:
    - (1) Has acquired and is utilizing the PowerSchool student information system;
    - (2) Has acquired and is in the process of implementing the PowerSchool student information system; or
    - (3) Will acquire the PowerSchool student information system during the current school year, provided the acquisition is contractually demonstrated; and
  - o. 0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; and
  - p. ~~0.002 the number of students enrolled in average daily membership, in order to support technology.~~
2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.

**SECTION 21. AMENDMENT.** Section 15.1-27-04 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-04. Per student payment rate.**

- 1. a. The per student payment rate to which each school district is entitled for the first year of the biennium is three thousand ~~two~~nine hundred ~~thirty~~ dollars.
- b. The per student payment rate to which each school district is entitled for the second year of the biennium is three thousand ~~seven~~nine hundred ~~seventy-nin~~eseventy dollars.
- 2. In order to determine the state aid payment to which each district is entitled, the superintendent of public instruction shall multiply each district's weighted student units by the per student payment rate set forth in subsection 1.

**SECTION 22. AMENDMENT.** Section 15.1-27-07.2 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-07.2. Baseline funding - Determination - Minimum and maximum allowable increases.**

- 1. The superintendent of public instruction shall determine each school district's baseline funding per weighted student unit by:
  - a. Adding together all state aid received by the district during the 2006-07 school year;

- b. Subtracting the amount received by the district during the 2006-07 school year for transportation aid, special education excess cost reimbursements, special education contracts, prior year funding adjustments, and per student payments for participation in educational associations governed by joint powers agreements; and
  - c. Dividing the amount determined under subdivision b by the district's 2007-08 weighted student units.
2. a. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, for the 2009-10 school year, is at least equal to one hundred eight percent of the baseline funding per weighted student unit, as established in subsection 1.
  - b. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, for each school year after the 2009-10 school year, is at least equal to one hundred twelve and one-half percent of the baseline funding per weighted student unit, as established in subsection 1.
3. a- The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, less any amount received as equity payments under section 15.1-27-11 per weighted student unit, does not exceed, for the ~~2009-10~~2011-12 school year, one hundred ~~twenty~~forty-two percent of the baseline funding per weighted student unit, as established in subsection 1.
  - b- ~~The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, less any amount received as equity payments under section 15.1-27-11 per weighted student unit, does not exceed, for each school year after the 2009-10 school year, one hundred thirty-four percent of the baseline funding per weighted student unit, as established in subsection 1.~~

**SECTION 23. AMENDMENT.** Section 15.1-27-11 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-11. Equity payments.**

1. The superintendent of public instruction shall:
  - a. Divide the imputed taxable valuation of the state by the total average daily membership of all school districts in the state in order to determine the state average imputed taxable valuation per student.
  - b. Divide the imputed taxable valuation of each school district by the district's total average daily membership in order to determine each district's average imputed taxable valuation per student.
2. If a school district's imputed taxable valuation per student is less than ninety percent of the statewide imputed taxable valuation per student, the superintendent of public instruction shall calculate the valuation deficiency by:
  - a. Determining the difference between ninety percent of the state average imputed taxable valuation per student and the district's average imputed taxable valuation per student; and

- b. Multiplying that difference by the district's total average daily membership.
3. Except as provided in subsection 4, the equity payment to which a district is entitled under this section equals the district's valuation deficiency multiplied by the lesser of:
  - a. The district's general fund levy for the taxable year 2008; or
  - b. One hundred eighty-five mills.
4.
  - a. The equity payment to which a district is entitled may not exceed the district's taxable valuation multiplied by its general fund levy for the taxable year 2008.
  - b. If a district's general fund levy for the taxable year 2008 is less than one hundred eighty-five mills, the superintendent of public instruction shall subtract the district's general fund levy for the taxable year 2008 from one hundred eighty-five mills, multiply the result by the district's taxable valuation, and subtract that result from the equity payment to which the district is otherwise entitled.
  - c. If a district's imputed taxable valuation per student is less than fifty percent of the statewide imputed taxable valuation per student, the payment to which the district is entitled under this section may not be less than twenty percent of the statewide imputed taxable valuation per student times the school district's average daily membership, multiplied by one hundred eighty-five mills.
5. In determining the amount to which a school district is entitled under this section, the superintendent of public instruction may not include any payments received by the district as a result of Public Law No. 81-874 [64 Stat. 1100; 20 U.S.C. 236 et seq.] and may not include in the district's average daily membership students who are dependents of members of the armed forces and students who are dependents of civilian employees of the department of defense.
6. In determining the statewide average imputed taxable valuation per student for purposes of this section, the superintendent of public instruction may not include:
  - a. Any school district, which if included in the calculation would have an imputed taxable valuation per student that is three times greater than the statewide average imputed taxable valuation per student; and
  - b. Any school district, which if included in the calculation would have an imputed taxable valuation per student that is less than one-fifth of the statewide average imputed taxable valuation per student.
7. For purposes of this section:
  - a. "General fund levy" includes a district's high school transportation levy and its high school tuition levy.
  - b. "Imputed taxable valuation" means the valuation of all taxable real property in the district plus:
    - (1) An amount determined by dividing seventy percent of the district's mineral and tuition revenue, revenue from payments in lieu of property taxes on distribution and transmission of electric power, revenue from payments in lieu of taxes from

electricity generated from sources other than coal, and revenue received on account of the leasing of lands acquired by the United States for flood control, navigation, and allied purposes in accordance with 33 U.S.C. 701c-3 by the district's general fund mill levy for the taxable year 2008; and

- (2) An amount determined by dividing the district's revenue from mobile home taxes and telecommunications taxes by the district's general fund mill levy for the taxable year 2008.
- c. "Mineral revenue" includes all revenue from county sources reported under code 2000 of the North Dakota school district financial accounting and reporting manual as developed by the superintendent of public instruction in accordance with section 15.1-02-08.
- d. "Tuition revenue" includes all revenue reported under code 1300 of the North Dakota school district financial accounting and reporting manual as developed by the superintendent of public instruction in accordance with section 15.1-02-08. "Tuition revenue" does not include tuition income received specifically for the operation of an educational program provided at a residential treatment facility.

**SECTION 24. AMENDMENT.** Section 15.1-27-35.3 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-35.3. ~~(Effective through June 30, 2011) Payments to school districts—Unobligated general fund balance—Report to legislative council.~~**

- ~~1. The superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of fifty percent of its actual expenditures, plus twenty thousand dollars. Beginning July 1, 2008, the superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty five percent of its actual expenditures, plus twenty thousand dollars.~~
- ~~2. In making the determination required by subsection 1, the superintendent of public instruction may not include in a district's unobligated general fund balance any moneys that:~~
  - ~~a. (1) Were received by the district during the school year ending June 30, 2009, on account of the leasing of lands acquired by the United States for flood control, navigation, and allied purposes in accordance with 33 U.S.C. 701c-3; and~~
    - ~~(2) Exceeded the amount received by the district during the school year ending June 30, 2008, for the purpose stated in paragraph 1;~~
  - ~~b. Were received directly by the district from the United States government in accordance with the American Recovery and Reinvestment Act of 2009; or~~
  - ~~c. Were received by the district as supplemental one-time grants under section 52 of S.L. 2009, ch. 175.~~

3. ~~Any district having more than fifty thousand dollars excluded in the determination of its ending fund balance, as required by subsection 2, shall provide a report to the legislative council. The report, which must be presented at the time and in the manner directed by the legislative council, must address how the money was expended, including the number of mills by which the district was able to decrease its property taxes, if such was a permitted use.~~

**(Effective after June 30, 2011) Payments to school districts - Unobligated general fund balance.**

1. ~~The superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of fifty percent of its actual expenditures, plus twenty thousand dollars. Beginning July 1, 2008, the superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty-five percent of its actual expenditures, plus twenty thousand dollars.~~
2. In making the determination required by subsection 1, the superintendent of public instruction may not include in a district's unobligated general fund balance any moneys that were received by the district from the federal education jobs fund program.

**SECTION 25.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Supplemental teacher-effectiveness compensation plan.**

1. A representative organization authorized by a negotiating unit, as defined in subdivision b of subsection 2 of section 15.1-16-01, and the board of a school district may agree to pursue a supplemental teacher-effectiveness compensation plan for teachers in the negotiating unit.
2. The negotiating unit may include:
  - a. All teachers employed by the board to teach in the school district; or
  - b. All teachers employed by the board to teach at a particular school in the district.
3. For purposes of this section and the implementation of the supplemental teacher-effectiveness compensation plan, "teacher" means an individual defined in subdivision b of subsection 6 of section 15.1-02-13.

**SECTION 26.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Supplemental teacher-effectiveness compensation plan - Development committee - Membership.**

1. Upon agreeing to pursue a supplemental teacher-effectiveness compensation plan, the board of the school district and the representative organization shall form a committee to develop the plan. The membership of the committee must be agreed upon by the board of the school district and the representative organization.



2. At the initial meeting of the committee, the members shall establish rules of operation and procedure.
3. The committee formed under this section is a public entity for purposes of chapter 44-04.

**SECTION 27.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Supplemental teacher-effectiveness compensation plan - Required content.**

1. A supplemental teacher-effectiveness compensation plan developed under this section must:
  - a. Include only matters of compensation and may not include other terms or conditions of employment normally negotiated under chapter 15.1-16;
  - b. Provide for a determination of compensation that takes into account:
    - (1) Whether the school district has had difficulty filling a particular position with a suitable and highly qualified teacher;
    - (2) Whether a teacher has advanced academic degrees or special skills and knowledge beyond those minimally required for a position;
    - (3) Whether a teacher has pursued certified professional development activities beyond those minimally required for a position;
    - (4) Whether a teacher has assumed responsibilities that are beyond those minimally required for a position; and
    - (5) Various measures of student growth, including academic growth;
  - c. Include a rigorous and objective system of teacher evaluation that equitably links an individual's performance to the opportunity for additional compensation; and
  - d. Ensure that no teacher subject to the plan will receive less total compensation than that teacher was eligible to receive under the last contract negotiated under chapter 15.1-16.
2. A supplemental teacher-effectiveness compensation plan is not subject to a declaration of impasse under chapter 15.1-16.

**SECTION 28.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Supplemental teacher-effectiveness compensation plan - Review panel - Duties.**

1. Upon agreeing to a supplemental teacher-effectiveness compensation plan, the plan development committee shall forward the plan to a panel consisting of:
  - a. Two employees of the department of public instruction, selected by the superintendent of public instruction;

- b. Two individuals appointed by the North Dakota council of educational leaders;
  - c. Two individuals appointed by the North Dakota education association; and
  - d. Two individuals appointed by the North Dakota school boards association.
2. Beginning April 1, 2012, the panel shall review each plan that is submitted to ensure that it meets the requirements of section 27 of this Act.

**SECTION 29.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Supplemental teacher-effectiveness compensation plan - Review panel - Additional duties.**

In addition to the duties set forth in section 28 of this Act, the review panel shall:

1. Develop and distribute guidelines pertaining to the creation of supplemental teacher-effectiveness compensation plans;
2. Upon request meet with and advise plan development committees pursuing the creation of supplemental teacher-effectiveness compensation plans; and
3. Provide advice to the superintendent of public instruction regarding the hiring of any employees or the selection of any contractors whose duties will be related to supplemental teacher-effectiveness compensation.

**SECTION 30.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Annual report - Required content.**

1. Any school district that receives state moneys to implement a supplemental teacher-effectiveness compensation plan shall file an annual report with the superintendent of public instruction, at the time and in the manner directed by the superintendent. The report must address whether the plan has:
  - a. Alleviated difficulty filling particular positions with suitable and highly qualified teachers;
  - b. Encouraged teachers to pursue advanced academic degrees or acquire special skills and knowledge beyond those minimally required for a position;
  - c. Encouraged teachers to pursue certified professional development activities beyond those minimally required for a position;
  - d. Encouraged teachers to assume additional responsibilities that are beyond those minimally required for a position; and
  - e. Resulted in measurable student growth, including academic growth.
2. The report also must include suggestions for modifications to the plan, if appropriate.

3. The representative organization shall indicate in writing its agreement with the report and the suggestions for modifications, as submitted by the school district in accordance with this section, or provide to the superintendent of public instruction a separate report together with any suggestions for modifications.
4. The superintendent of public instruction shall provide copies of the report to the plan review panel established by section 28 of this Act.

**SECTION 31.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Existing contracts - Terms - Effect.**

1. The terms of any contract entered before July 1, 2011, between the board of a school district and a representative organization in accordance with chapter 15.1-16, remain in force and effect for the duration of the contract.
2. A supplemental teacher-effectiveness compensation plan authorized by this Act may take effect on July 1, 2012.

**SECTION 32.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Plan review panel - Reimbursement for expenses.**

Each member of the supplemental teacher-effectiveness compensation plan review panel is entitled to receive reimbursement for expenses as provided by law for state officials if the member is attending meetings or performing duties directed by the panel.

**SECTION 33. AMENDMENT.** Section 15.1-36-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-36-02. School construction projects - Loans.**

1. The board of university and school lands may authorize the use of moneys in the coal development trust fund established pursuant to section 21 of article X of the Constitution of North Dakota and subsection 1 of section 57-62-02 to provide school construction loans, as described in this chapter. The outstanding principal balance of loans under this chapter may not exceed fifty million dollars. The board may adopt policies and rules governing school construction loans.
2. In order to be eligible for a loan under this section, the board of a school district shall:
  - a. Propose a construction project with a cost of at least one million dollars and an expected utilization of at least thirty years;
  - b. Obtain the approval of the superintendent of public instruction for the construction project under section 15.1-36-01; and
  - c. Submit to the superintendent of public instruction an application containing all information deemed necessary by the superintendent, including potential alternative sources or methods of financing the construction project.

3. The superintendent of public instruction shall give priority to any district that meets the requirements for receipt of an equity payment under section 15.1-27-11.
4. If an eligible school district's imputed taxable valuation per student is less than eighty percent of the state average imputed valuation per student, the district is entitled to receive:
  - a. A school construction loan equal to the lesser of ~~eight~~twelve million dollars or eighty percent of the actual project cost;
  - b. An interest rate discount equal to at least ~~fifty~~one hundred but not more than two hundred fifty basis points below the prevailing tax-free bond rates; and
  - c. A term of repayment that may extend up to twenty years.
5. If an eligible school district's imputed taxable valuation per student is equal to at least eighty percent but less than ninety percent of the state average imputed taxable valuation per student, the district is entitled to receive:
  - a. A school construction loan equal to the lesser of ~~seventen~~ million dollars or seventy percent of the actual project cost;
  - b. An interest rate buydown equal to at least ~~fifty~~one hundred but not more than two hundred fifty basis points below the prevailing tax-free bond rates; and
  - c. A term of repayment that may extend up to twenty years.
6. If an eligible school district's imputed taxable valuation per student is equal to at least ninety percent of the state average imputed taxable valuation per student, the district is entitled to receive:
  - a. A school construction loan equal to the lesser of ~~two~~four million ~~five hundred thousand~~ dollars or thirty percent of the actual project cost;
  - b. An interest rate discount equal to at least ~~fifty~~one hundred but not more than two hundred fifty basis points below the prevailing tax-free bond rates; and
  - c. A term of repayment that may extend up to twenty years.
7. The board of a school district may submit its loan application to the superintendent of public instruction before or after receiving authorization of a bond issue in accordance with chapter 21-03. If the vote to authorize a bond issue precedes the application for a loan, the application must be acted upon by the superintendent expeditiously but no later than one hundred eighty days from the date it is received by the superintendent.
8. The superintendent of public instruction shall consider each loan application in the order it received approval under section 15.1-36-01.
9. If the superintendent of public instruction approves the loan, the superintendent may determine the loan amount, the term of the loan, and the interest rate, in accordance with the requirements of this section.
10. The superintendent of public instruction may adopt rules governing school construction loans.

11. For purposes of this section, a construction project means the purchase, lease, erection, or improvement of any structure or facility by a school board, provided the acquisition or activity is within a school board's authority.

**SECTION 34. AMENDMENT.** Section 15.1-37-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-37-01. Early childhood education program - Approval.**

1. Any person or school district operating an early childhood education program may request approval of the program from the superintendent of public instruction. The superintendent shall approve an early childhood education program if the program:
  - ~~4~~-a. Is taught by individuals who are licensed to teach in early childhood education by the education standards and practices board;
  - ~~2~~-b. Follows a developmentally appropriate curriculum; ~~and~~
  - ~~3~~-c. Is in compliance with all municipal and state health, fire, and safety requirements; ~~and~~
  - d. Limits its enrollment to children who have reached the age of four before August first in the year of enrollment.
2. ~~Per student funding will not be provided to individuals or school districts offering a prekindergarten. In determining the state aid payments to which a school district is entitled, the superintendent of public instruction may not count any student enrolled in a regular early childhood education program.~~

**SECTION 35. AMENDMENT.** Subsection 1 of section 15.1-37-02 of the North Dakota Century Code is amended and reenacted as follows:

1. The North Dakota early childhood education council consists of:
  - a. A chairman appointed by the governor;
  - b. The superintendent of public instruction, or the superintendent's designee;
  - c. The state health officer, or the officer's designee;
  - d. The director of the department of human services, or the director's designee;
  - e. The North Dakota head start - state collaboration administrator, or the administrator's designee;
  - f. The commissioner of higher education, or the commissioner's designee;
  - g. The commissioner of commerce, or the commissioner's designee;
  - h. The chairman of the senate education committee, or the chairman's designee;
  - ~~h~~-i. The chairman of the house of representatives education committee, or the chairman's designee; and

- i. The following gubernatorial appointees:
- (1) The superintendent of a school district having at least one thousand students in average daily membership;
  - (2) The superintendent of a school district having fewer than one thousand students in average daily membership;
  - (3) The superintendent of a school district headquartered on a reservation or including reservation land within its boundaries;
  - (4) ~~The principal of a school district;~~
  - (5) ~~An individual employed as an elementary school teacher;~~
  - (6) ~~An individual representing a non-religious-based provider of preschool~~early childhood education;
  - (7)(5) ~~An individual representing a religious-based provider of preschool~~early childhood education;
  - (8)(6) ~~An individual representing a center-based licensed child care provider;~~
  - (9)(7) ~~An individual representing a home-based licensed child care provider;~~
  - (10)(8) ~~An individual representing a reservation-based head start program;~~
  - (11)(9) ~~An elected member of a school board;~~
  - (12)(10) ~~The parent of a child not yet enrolled in elementary school; and~~
  - (13)(11) ~~The parent of a child with special needs~~disabilities not yet enrolled in elementary school; ~~and~~
  - (12) An individual representing children with disabilities.

**SECTION 36. AMENDMENT.** Section 15.1-37-03 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-37-03. Council - Duties.**

The council shall:

1. Review the ~~delivery~~availability and provision of early childhood education, ~~care, and services~~ in this state;
2. ~~Conduct a needs assessment;~~
3. ~~Review early childhood education standards and propose revisions to the standards as needed;~~
4. ~~Review~~Identify opportunities for public and private sector collaboration in the ~~delivery~~provision of early childhood education, ~~care, and services~~ in this state;
5. ~~Develop a comprehensive plan governing the delivery of early childhood education in this state; and~~

- 6-3. Identify ways to assist with the recruitment and retention of individuals interested in working as providers of early childhood education, care, and services, including training and continuing education or professional development opportunities;
4. Seek the advice and guidance of individuals who are uniquely familiar with the nature, scope, and associated challenges of providing early childhood education, care, and services in geographically and socioeconomically diverse settings, and develop recommendations pertaining to the short-term and longer-term improvement and expansion of early childhood education, care, and services in this state; and
5. Provide a biennial report regarding its activities findings and recommendations to the governor and the legislative council assembly.

**SECTION 37. AMENDMENT.** Section 57-15-14 of the North Dakota Century Code is amended and reenacted as follows:

**57-15-14. General fund levy limitations in school districts.**

The aggregate amount levied each year for the purposes listed in section 57-15-14.2 by any school district, except the Fargo school district, may not exceed the amount in dollars which the school district levied for the prior school year plus twelve percent up to a general fund levy of one hundred eighty-five mills on the dollar of the taxable valuation of the district, except that:

1. In any school district having a total population in excess of four thousand according to the last federal decennial census there may be levied any specific number of mills that upon resolution of the school board has been submitted to and approved by a majority of the qualified electors voting upon the question at any regular or special school district election.
2. In any school district having a total population of fewer than four thousand, there may be levied any specific number of mills that upon resolution of the school board has been approved by fifty-five percent of the qualified electors voting upon the question at any regular or special school election.
3. After June 30, 2009, in any school district election for approval by electors of increased levy authority under subsection 1 or 2, the ballot must specify the number of mills proposed for approval, and the number of taxable years for which that approval is to apply. After June 30, 2009, approval by electors of increased levy authority under subsection 1 or 2 may not be effective for more than ten taxable years.
4. The authority for a levy of up to a specific number of mills under this section approved by electors of a school district before July 1, 2009, is terminated effective for taxable years after 2015. If the electors of a school district subject to this subsection have not approved a levy for taxable years after 2015 of up to a specific number of mills under this section by December 31, 2015, the school district levy limitation for subsequent years is subject to the limitations under section 57-15-01.1 or this section.
5. The authority for an unlimited levy approved by electors of a school district before July 1, 2009, is terminated effective for taxable years after 2015. If the electors of a school district subject to this subsection have not approved a levy of up to a specific number of mills under this section by December 31, 2015, the school district levy limitation for subsequent years is subject to the limitations under section 57-15-01.1 or this section.

6. A school district that experiences a rapidly increasing taxable valuation may levy, for the taxable year of the rapidly increasing taxable valuation and the next taxable year, the amount in dollars which the school district levied for the prior school year plus eighteen percent, up to a general fund levy of one hundred eighty-five mills on the dollar of the taxable valuation of the district. For purposes of this subsection, "rapidly increasing taxable valuation" means an increase of twenty percent or more in taxable valuation from the immediately preceding taxable year.

The question of authorizing or discontinuing such specific number of mills authority in any school district must be submitted to the qualified electors at the next regular election upon resolution of the school board or upon the filing with the school board of a petition containing the signatures of qualified electors of the district equal in number to ten percent of the number of electors who cast votes in the most recent election in the school district. However, not fewer than twenty-five signatures are required. However, the approval of discontinuing such authority does not affect the tax levy in the calendar year in which the election is held. The election must be held in the same manner and subject to the same conditions as provided in this section for the first election upon the question of authorizing the mill levy.

#### **SECTION 38. ISOLATED SCHOOLS - TRANSITION PAYMENTS.**

1. If during the 2010-11 school year a school district received payments as a result of section 15.1-27-15, as the section existed on June 30, 2011, and if that district is not eligible for the factor established under subdivision j of subsection 1 of section 15.1-27-03.1, the district is entitled to the following transition payments:
  - a. For the 2011-12 school year, an amount equal to that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011;
  - b. For the 2012-13 school year, an amount equal to seventy-five percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011;
  - c. For the 2013-14 school year, an amount equal to fifty percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011; and
  - d. For the 2014-15 school year, an amount equal to twenty-five percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011.
2. Upon the closure of a school that met the definition of isolated under section 15.1-27-15, as it existed on June 30, 2011, the superintendent of public instruction shall cease to provide to the district the transition payments established under subsection 1.

#### **SECTION 39. TRANSPORTATION GRANTS - DISTRIBUTION.**

1. During each year of the 2011-13 biennium, the superintendent of public instruction shall calculate the payment to which each school district is entitled based on the state transportation formula as it existed on June 30, 2001, except that the superintendent shall provide reimbursement at the rate of:
  - a. One dollar and three cents per mile for schoolbuses having a capacity of ten or more passengers;



- b. Forty-six cents per mile for vehicles having a capacity of nine or fewer passengers;
  - c. Forty-six cents per mile, provided:
    - (1) The student being transported is a student with a disability, as defined in chapter 15.1-32;
    - (2) The student's individualized education program plan requires that the student attend a public or a nonpublic school located outside the student's school district of residence;
    - (3) The student is transported by an adult member of the student's family;
    - (4) The student is transported in a vehicle furnished by the student's parents;
    - (5) The student's transportation is paid for by the student's parents; and
    - (6) The reimbursement does not exceed two round trips daily between the student's home and school.
  - d. Forty-six cents per mile, one way, provided:
    - (1) The student being transported resides more than two miles from the public school that the student attends;
    - (2) The student is transported by an adult member of the student's family;
    - (3) The student is transported in a vehicle furnished by the student's parents; and
    - (4) The student's transportation is paid for by the student's parents; and
  - e. Twenty-six cents per student for each one-way trip.
- 2. The superintendent of public instruction shall use the latest available student enrollment count in each school district in applying the provisions of subsection 1.
  - 3. If any moneys provided for transportation payments in the grants transportation line item in the appropriation bill for the superintendent of public instruction, as approved by the sixty-second legislative assembly, remain after application of the formula provided for in this section, the superintendent of public instruction shall prorate the remaining amounts according to the percentage of the total transportation formula amount to which each school district is entitled.
  - 4. This section does not authorize the reimbursement of any costs incurred in providing transportation for student attendance at extracurricular activities or events.

**SECTION 40. SCHOOL DISTRICT RAPID ENROLLMENT GROWTH - GRANT.** During the 2011-13 biennium, the superintendent of public instruction shall expend up to \$5,000,000 from the grants - other grants line item in the appropriation bill for the superintendent of public instruction, as approved by the sixty-second

legislative assembly, for the purpose of providing a grant to any school district that can demonstrate rapid enrollment growth in accordance with this section.

1. If the number of full-time equivalent students enrolled in a school district has increased by at least three percent annually and if that increase is equal to at least twenty-five full-time equivalent students, as demonstrated by the district's September tenth fall enrollment report, the district is entitled to receive a grant equal to thirty percent of the per student payment provided for in section 15.1-27-04 multiplied by the actual increase in its full-time equivalent student enrollment.
2. If the number of full-time equivalent students enrolled in a school district has increased by at least seven percent annually and if that increase is equal to at least twenty-five full-time equivalent students, as demonstrated by the district's September tenth fall enrollment report, the district is entitled to receive a grant equal to seventy percent of the per student payment provided for in section 15.1-27-04 multiplied by the actual increase in its full-time equivalent student enrollment.
3. If the number of full-time equivalent students enrolled in a school district has increased by at least thirteen percent annually and if that increase is equal to at least twenty-five full-time equivalent students, as demonstrated by the district's September tenth fall enrollment report, the district is entitled to receive a grant equal to the per student payment provided for in section 15.1-27-04 multiplied by the actual increase in its full-time equivalent student enrollment.
4. If the amount of the expenditure provided for in this section is insufficient to meet the obligations of this section, the superintendent of public instruction shall prorate the payment based on the percentage of the total amount to which each school district is entitled.
5. A district may not receive more than \$800,000 annually in accordance with this section.

**SECTION 41. SUPPLEMENTAL TEACHER-EFFECTIVENESS COMPENSATION PLAN - GRANT.** During the 2011-13 biennium, the superintendent of public instruction shall expend up to \$700,000 from the grants - other grants line item in the appropriation bill for the superintendent of public instruction, as approved by the sixty-second legislative assembly for the purpose of providing a grant to any school district that submits an eligible supplemental teacher-effectiveness compensation plan in accordance with section 27 of this Act.

1. The amount of the grant to which a district is entitled must provide reimbursement for any costs the district incurred in developing the plan.
2. If providing the grants to each eligible district would exceed the expenditure authorized by this section, the superintendent of public instruction, with the advice of the review panel, shall select districts of varying size to receive the grants and shall prioritize the grants based on those plans that show the greatest potential to increase teacher-effectiveness through supplemental compensation. For purposes of this subsection, the superintendent of public instruction shall consider a district to be:
  - a. Small, if it has fewer than one thousand weighted student units;
  - b. Medium, if it has at least one thousand but fewer than five thousand weighted student units; and
  - c. Large, if it has at least five thousand weighted student units.

**SECTION 42. USE OF NEW MONEY - TEACHER COMPENSATION  
INCREASES - REPORTS TO THE LEGISLATIVE MANAGEMENT.**

1. During the 2011-13 biennium, the board of each school district shall use an amount equal to at least seventy percent of all new money received by the district for per student payments to increase the compensation paid to teachers and to provide compensation to teachers who begin employment with the district on or after July 1, 2011.
2. For purposes of this section, the superintendent of public instruction shall calculate the amount of new money received by a district during the 2011-13 biennium by:
  - a. Determining the total amount of state dollars received by each district during the 2009-11 biennium as per student payments, provided that equity payments, transportation payments, contingency distributions, mill levy reduction payments, and technology support payments are not to be included in the total;
  - b. Determining the total amount of state dollars received by each district during the 2011-13 biennium as per student payments, provided that the following are not to be included in the total:
    - (1) Contingent distributions;
    - (2) Cross-border attendance moneys;
    - (3) Deferred maintenance and physical plant improvements grants;
    - (4) Equity payments;
    - (5) Federal education jobs funds program moneys;
    - (6) Home-based education program monitoring moneys;
    - (7) Mill levy reduction payments;
    - (8) PowerSchool acquisition, implementation, and utilization moneys;
    - (9) Regional education association moneys and grants; and
    - (10) Transportation payments; and
  - c. Subtracting the amount arrived at under subdivision a from the amount arrived at under subdivision b.
3. School districts providing educational services under a cooperative agreement approved by the superintendent of public instruction must, for purposes of this section, be treated as a single district.
4. a. This section does not apply to a school district if the board of the school district, after a public hearing at which public testimony and documentary evidence are accepted, determines in its discretion and by an affirmative vote of two-thirds of the members of the board that complying with subsection 1 would place the school district in the position of having insufficient fiscal resources to meet the school district's other obligations.

- b. Within ten days of the vote required by subdivision a, the school board shall notify the superintendent of public instruction of its action and shall file a report detailing the grounds for its determination and action.
- c. The superintendent of public instruction shall report all notices received under this subsection to the legislative management.

**SECTION 43. CONTINGENT MONEY.** If any money appropriated to the superintendent of public instruction for state aid payments to school districts remains after the superintendent complies with all statutory payment obligations imposed for the biennium beginning July 1, 2011, and ending June 30, 2013, the superintendent shall use the remaining moneys to provide additional per student payments on a prorated basis according to the latest available average daily membership of each school district.

**SECTION 44. CONTINGENT TRANSFER BY BANK OF NORTH DAKOTA FOR SPECIAL EDUCATION.** If during the biennium beginning July 1, 2011, and ending June 30, 2013, the superintendent of public instruction determines that, using all available sources, there are insufficient funds with which to fully reimburse school districts for the excess costs of serving the one percent of special education students statewide who require the greatest school district expenditures in order to be provided with special education and related services, the industrial commission shall transfer from the earnings and accumulated and undivided profits of the Bank of North Dakota the amount the superintendent of public instruction certifies is necessary to provide the statutorily required level of reimbursement. The superintendent of public instruction shall file for introduction legislation requesting that the sixty-third legislative assembly return any amount transferred under this section to the Bank of North Dakota.

**SECTION 45. LEGISLATIVE MANAGEMENT STUDY - ADULT EDUCATION.** During the 2011-12 interim, the legislative management shall consider studying the provision and funding of adult education. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-third legislative assembly.

**SECTION 46. EDUCATION FUNDING AND TAXATION COMMITTEE - STUDY.**

1. The education funding and taxation committee consists of:
  - a. The following nine voting members:
    - (1) The chairman of the house education committee, or the chairman's designee;
    - (2) The chairman of the house finance and taxation committee, or the chairman's designee;
    - (3) The chairman of the senate education committee, or the chairman's designee;
    - (4) The chairman of the senate finance and taxation committee, or the chairman's designee; and
    - (5) Five legislators appointed by the chairman of the legislative management; and
  - b. The following five nonvoting members:
    - (1) The tax commissioner or the commissioner's designee;

- (2) The superintendent of public instruction or the superintendent's designee;
  - (3) A representative of the governor, selected by the governor; and
  - (4) Two school district business managers, appointed by the legislative management.
2. The chairman of the legislative management shall select one from among the voting members to serve as the chairman of the committee.
  3. The committee shall operate according to the statutes and procedure governing the operation of other legislative management interim committees.
  4. The committee shall examine short-term and longer-term state and local involvement in funding elementary and secondary education. The committee shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the legislative management.

**SECTION 47. REPEAL.** Section 6 of this Act and sections 15.1-18.2-01, 15.1-18.2-02, and 15.1-18.2-03 of the North Dakota Century Code are repealed.

**SECTION 48. REPEAL.** Section 15.1-27-15 of the North Dakota Century Code is repealed.

**SECTION 49. EFFECTIVE DATE.** Section 47 of this Act becomes effective on July 1, 2013."

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**SB 2150, as reengrossed and amended: Appropriations Committee (Rep. Delzer, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (15 YEAS, 6 NAYS, 0 ABSENT AND NOT VOTING). Reengrossed SB 2150, as amended, was placed on the Sixth order on the calendar.**

In lieu of the amendments adopted by the House as printed on pages 1229-1268 of the House Journal, Reengrossed Senate Bill No. 2150 is amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 15.1-09.1, four new sections to chapter 15.1-18.2, two new sections to chapter 15.1-21, and eight new sections to chapter 15.1-27 of the North Dakota Century Code, relating to regional education associations, the professional development advisory committee, North Dakota scholarships, and supplemental teacher-effectiveness compensation; to amend and reenact sections 15.1-06-04, 15.1-07-33, 15.1-09-58, 15.1-09.1-02, 15.1-21-02.1, 15.1-21-02.4, 15.1-21-02.5, 15.1-21-02.6, 15.1-21-08, 15.1-21-18, 15.1-21-19, 15.1-22-01, 15.1-27-03.1, 15.1-27-04, 15.1-27-07.2, 15.1-27-11, 15.1-27-35.3, 15.1-36-02, and 15.1-37-01, subsection 1 of section 15.1-37-02, and sections 15.1-37-03 and 57-15-14 of the North Dakota Century Code, relating to the school calendar, technology, regional education associations, curriculum requirements, assessments, scholarships, student consultations, state aid, school construction funding, early childhood education, care, and services, and taxable valuations; to repeal section 6 of this Act and sections 15.1-18.2-01, 15.1-18.2-02, 15.1-18.2-03, and 15.1-27-15 of the North Dakota Century Code, relating to professional development and isolated schools; to provide for compensation increases, transition payments, contingent payments, and the distribution of transportation grants, supplemented teacher-effectiveness compensation grants, alternative middle school grants, and rapid enrollment growth grants; to provide for legislative management studies; and to provide an effective date.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. AMENDMENT.** Section 15.1-06-04 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-06-04. School calendar - Length.**

1. During the 2009-10 school year, a school district shall provide for a school calendar of at least one hundred eighty days.
  - a. One hundred seventy-three days must be used for instruction;
  - b. Three days must be used for holidays, as selected by the school board in consultation with district teachers from the list provided for in subdivisions b through j of subsection 1 of section 15.1-06-02;
  - c. Up to two days must be used for:
    - (1) Parent-teacher conferences; or
    - (2) Compensatory time for parent-teacher conferences held outside regular school hours; and
  - d. Two days must be used for professional development.
2. ~~During~~Beginning with the 2010-11 school year, a school district shall provide for a school calendar of at least one hundred eighty-one days.
  - a. One hundred seventy-four days must be used for instruction;

- b. Three days must be used for holidays, as selected by the board in consultation with district teachers from the list provided for in subdivisions b through j of subsection 1 of section 15.1-06-02;
      - c. Up to two days must be used for:
        - (1) Parent-teacher conferences; or
        - (2) Compensatory time for parent-teacher conferences held outside of regular school hours; and
      - d. Two days must be used for professional development.
    3. Beginning with the ~~2011-12~~2012-13 school year, a school district shall provide for a school calendar of at least one hundred eighty-two days.
      - a. One hundred seventy-five days must be used for instruction;
      - b. Three days must be used for holidays, as selected by the board in consultation with district teachers from the list provided for in subdivisions b through j of subsection 1 of section 15.1-06-02;
      - c. Up to two days must be used for:
        - (1) Parent-teacher conferences; or
        - (2) Compensatory time for parent-teacher conferences held outside of regular school hours; and
      - d. Two days must be used for professional development.
    4. A day for professional development must consist of:
      - a. Six hours of professional development, exclusive of meals and other breaks, conducted within a single day; or
      - b. Two four-hour periods of professional development, exclusive of meals and other breaks, conducted over two days.
    5. If a school district offers a four-hour period of professional development, as permitted in subdivision b of subsection 4, the school district may schedule instruction during other available hours on that same day and be credited with providing one-half day of instruction to students. This subsection does not apply unless the one-half day of instruction equals at least one-half of the time required for a full day of instruction, as defined in this section.
    6.
      - a. In meeting the requirements for two days of professional development under this section, a school district may require that its teachers attend the North Dakota education association instructional conference and may pay teachers for attending the conference, provided their attendance is verified.
      - b. In meeting the requirements for two days of professional development under this section, a school district may consider attendance at the North Dakota education association instructional conference to be optional, elect not to pay teachers for attending the instructional conference, and instead direct any resulting savings toward providing alternate professional development opportunities.

- c. A school district may not require the attendance of teachers in school or at any school-sponsored, school-directed, school-sanctioned, or school-related activities and may not schedule classroom instruction time nor alternate professional development activities on any day that conflicts with the North Dakota education association instructional conference.
7. Beginning with the 2010-11 school year, if a school district elects to provide an optional third day of professional development, the school district shall do so by:
  - a. Meeting the requirements for a day of professional development as set forth in subsection 4; or
  - b. Shortening four instructional days, for the purpose of providing for two-hour periods of professional development, provided:
    - (1) Each instructional day on which such professional development occurs includes at least four hours of instruction for kindergarten and elementary students and four and one-half hours for high school students;
    - (2) The instructional time for each course normally scheduled on that day is reduced proportionately or the daily schedule is reconfigured to ensure that the same course is not subject to early dismissal more than one time per school calendar, as a result of this subdivision; and
    - (3) All teachers having a class dismissed as a result of this subdivision are required to be in attendance and participate in the professional development.
8.
  - a. If a school's calendar provides for an extension of each schoolday beyond the statutorily required minimum number of hours, and if the extensions when aggregated over an entire school year amount to more than eighty-four hours of additional classroom instruction during the school year, the school is exempt from having to make up six hours of instruction time lost as a result of weather-related closure. In order to make up lost classroom instruction time beyond the six hours, the school must extend its normal school calendar day by at least thirty minutes.
  - b. A school that does not qualify under the provisions of this subsection must extend its normal schoolday by at least thirty minutes to make up classroom instruction time lost as a result of weather-related closure.
  - c. If because of weather a school must dismiss before completing a full day of instruction, the school is responsible for making up only those hours and portions of an hour between the time of early dismissal and the conclusion of a full day of classroom instruction.
9. For purposes of this section, a full day of instruction consists of:
  - a. At least five and one-half hours for kindergarten and elementary students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction; and
  - b. At least six hours for high school students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction.



**SECTION 2. AMENDMENT.** Section 15.1-07-33 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-07-33. Student information system - Statewide coordination - Financial support - Exemption.**

1. Notwithstanding any other technology requirements imposed by the superintendent of public instruction, the information technology department, or the North Dakota educational technology council, each school district shall acquire PowerSchool through the information technology department and use it as its principal student information system.
2. The superintendent of public instruction shall forward that portion of a school district's state aid which is payable by the superintendent under subdivision n of subsection 1 of section 15.1-27-03.1 directly to the information technology department to reimburse the department for the cost of the school district's acquisition, implementation, or utilization of PowerSchool and any related technology support services. The superintendent shall forward the amount payable under this subsection at the same time and in the same manner as provided for other state aid payments under section 15.1-27-01.
3. If the portion of a school district's state aid forwarded to the information technology department under subsection 2 exceeds the cost incurred by the information technology department in providing for the school district's acquisition, implementation, or utilization of PowerSchool and any related technology support services, the information technology department shall return the excess moneys to the superintendent of public instruction for redistribution to the school district as per student payments.
4. The superintendent of public instruction may exempt a school district from having to acquire and utilize PowerSchool if the school district demonstrates that, in accordance with requirements of the bureau of Indian education, the district has acquired and is utilizing a student information system that is determined to be comparable by the superintendent.

**SECTION 3. AMENDMENT.** Section 15.1-09-58 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-09-58. Prekindergarten program Early childhood education - Authorization - Support.**

The board of a school district may establish a ~~prekindergarten~~ early childhood program and may ~~receive and expend any state moneys specifically appropriated for the program, any federal funds~~ support that program with:

1. Local tax revenues, other than those necessary to support the district's kindergarten program and the district's provision of elementary and high school educational services;
2. Federal moneys specifically appropriated or approved for the program; ~~and any gifts~~
3. Gifts, grants, and donations specifically given for the program.

**SECTION 4. AMENDMENT.** Section 15.1-09.1-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-09.1-02. Regional education association - Joint powers agreement - Review by superintendent of public instruction - Criteria.**

Before~~in order for~~ a group of school districts ~~may~~to be designated as a regional education association, the superintendent of public instruction shall review the joint powers agreement that the districts have entered and verify that: the requirements of this section have been met.

1. The school districts must:
  - a. Have a combined total land mass of at least five thousand eight hundred square miles [1502193 hectares];
  - b. (1) Have a combined total land mass of at least four thousand five hundred square miles [1165494 hectares]; and  
(2) Number at least twelve;
  - c. (1) Have a combined total land mass of at least four thousand square miles [1035995 hectares]; and  
(2) Have at least three thousand students in average daily membership; or
  - d. (1) Have a combined total land mass of at least one thousand five hundred square miles [388498 hectares]; and  
(2) Have at least seven thousand five hundred students in average daily membership.
2. The school districts ~~are~~must be contiguous to each other or, if the districts are not contiguous to each other, the superintendent of public instruction shall verify that the participating districts can provide sound educational opportunities to their students in a fiscally responsible manner without injuring other school districts or regional education associations and without negatively impacting the ability of other school districts or regional education associations to provide sound educational opportunities to their students in a fiscally responsible manner. A decision by the superintendent of public instruction under this subsection may be appealed to the state board of public school education. A decision by the state board is final.
3. The joint powers agreement ~~requires~~must require that the participating school districts maintain a joint operating fund ~~and share various administrative functions and student services in accordance with subsection 4.~~
4. ~~a. During the first two school years in which a regional education association is operational, each participating school district shall share in at least two administrative functions and two student services, selected by the district.~~  
~~b. During the third and fourth school years in which a regional education association is operational, each participating school district shall share in at least three administrative functions and three student services, selected by the district.~~  
~~c. During the fifth school year in which a regional education association is operational, and each year thereafter, each participating school district shall share at least five administrative functions and five student services, selected by the district.~~

d. ~~For purposes of this subsection:~~

(1) ~~"Administrative functions" means:~~

- ~~(a) Business management;~~
- ~~(b) Career and technical education services management;~~
- ~~(c) Curriculum mapping or development;~~
- ~~(d) Data analysis;~~
- ~~(e) Federal program support;~~
- ~~(f) Federal title program management;~~
- ~~(g) Grant writing;~~
- ~~(h) School improvement;~~
- ~~(i) School safety and environment management;~~
- ~~(j) Special education services management;~~
- ~~(k) Staff development;~~
- ~~(l) Staff retention and recruitment;~~
- ~~(m) Staff sharing;~~
- ~~(n) Technology support; and~~
- ~~(o) Any other functions approved by the superintendent of public instruction.~~

(2) ~~"Student services" means:~~

- ~~(a) Advanced placement classes;~~
- ~~(b) Alternative high schools or alternative high school programs;~~
- ~~(c) Career and technical education classes;~~
- ~~(d) Counseling services;~~
- ~~(e) Common elementary curricula;~~
- ~~(f) Distance learning classes;~~
- ~~(g) Dual credit classes;~~
- ~~(h) Foreign language classes;~~
- ~~(i) Library and media services;~~
- ~~(j) Summer programs;~~
- ~~(k) Supplemental instruction programs; and~~

- (4) ~~Any other services approved by the superintendent of public instruction.~~
- e. ~~For purposes of this subsection, if a regional education association became operational before July 1, 2006, the 2006-06 school year must be considered the provider's first year of operation.~~
5. The joint powers agreement ~~provides~~must provide:
- a. Criteria for the future participation of school districts that were not parties to the original joint powers agreement;
  - b. An application process by which school districts that were not parties to the original joint powers agreement can become participating districts; and
  - c. A process by which school districts that were not parties to the original joint powers agreement and whose application to participate in the agreement was denied can appeal the decision to the superintendent of public instruction.
- 6.5. The joint powers agreement ~~provides~~must provide for the employment and compensation of staff.
- 7.6. The joint powers agreement must:
- a. ~~Establishes~~Establish the number of members on the governing board;
  - b. ~~Establishes~~Establish the manner in which members of the governing board are determined;
  - c. ~~Requires all members~~Require that each member of the governing board ~~or their designees to be individuals~~be an individual currently serving on the board of a participating school district ~~or the designee of a participating school district's board~~; and
  - d. ~~Allows~~Allow for the inclusion of ex officio nonvoting members on the governing board.
- 8.7. The joint powers agreement ~~provides~~must provide that the board of the regional education association shall meet at least quarterly.
- 9.8. The joint powers agreement ~~does~~may not permit the regional education association to compensate members of the regional education association board for attending meetings of the board and does not permit the regional education association to reimburse members of the board for any expenses incurred in attending meetings of the board.

**SECTION 5.** A new section to chapter 15.1-09.1 of the North Dakota Century Code is created and enacted as follows:

**Regional education association - Services to be offered.**

1. In order to be eligible for state funding, a regional education association must offer the following services to its member districts:
  - a. Coordination and facilitation of professional development activities for teachers and administrators employed by its member districts;
  - b. Supplementation of technology support services;

- c. Assistance with achieving school improvement goals identified by the superintendent of public instruction;
  - d. Assistance with the collection, analysis, and interpretation of student achievement data; and
  - e. Assistance with the expansion and enrichment of curricular offerings.
2. Subsection 1 does not preclude a regional education association from offering additional services to its member districts.

**SECTION 6.** A new section to chapter 15.1-18.2 of the North Dakota Century Code is created and enacted as follows:

**Professional development advisory committee - Reimbursement of members.**

Each member of the professional development advisory committee is entitled to receive reimbursement for expenses as provided by law for state officers if the member is attending committee meetings, except that no member may receive reimbursement under this section for more than three committee meetings during each year of the biennium.

**SECTION 7.** A new section to chapter 15.1-18.2 of the North Dakota Century Code is created and enacted as follows:

**Teacher support program - Establishment.**

The education standards and practices board shall:

1. Establish and administer a teacher support program;
2. Employ an individual to serve as a teacher support program coordinator;
3.
  - a. Select and train experienced teachers who will serve as mentors for first-year teachers and assist the first-year teachers with instructional skills development; or
  - b. If a school district or other employing entity listed in section 9 of this Act is not in need of mentors for its first-year teachers, select and train experienced teachers who will work with school district administrators and administrators from the other employing entities to identify the needs of the non-first-year teachers and help the non-first-year teachers address their particular needs through the use of:
    - (1) Research-validated interventions; and
    - (2) Proven instructional methods.

**SECTION 8.** A new section to chapter 15.1-18.2 of the North Dakota Century Code is created and enacted as follows:

**Teacher support program - Availability of services.**

The education standards and practices board may use any moneys it receives for the teacher support program to provide staff compensation, training, evaluation, and stipends for mentors and experienced teachers who assist first-year and non-first-year teachers participating in the program, and to pay for any other administrative expenses resulting from the program, provided, however, that the

board may not expend more than five percent of the moneys for administrative purposes.

**SECTION 9.** A new section to chapter 15.1-18.2 of the North Dakota Century Code is created and enacted as follows:

**Teacher support program - Authorized service recipients.**

The education standards and practices board may provide support services to teachers employed by:

1. School districts;
2. Special education units;
3. Area career and technology centers;
4. Regional education associations; and
5. Schools funded by the bureau of Indian education.

**SECTION 10. AMENDMENT.** Section 15.1-21-02.1 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.1. High school graduation--Diplomadiploma - Minimum requirements.**

Except as provided in section 15.1-21-02.3, before a school district, a nonpublic high school, or the center for distance education issues a high school diploma to a student, the student must have successfully completed the following ~~twenty-two units of high school coursework:~~

1. ~~Four units of English language arts from a sequence that includes literature, composition, and speech;~~
2. ~~Three units of mathematics;~~
3. ~~Three units of science, including:~~
  - a. ~~One unit of physical science;~~
  - b. ~~One unit of biology; and~~
  - c. ~~(1) One unit of any other science; or~~  
~~(2) Two one-half units of any other science;~~
4. ~~Three units of social studies, including:~~
  - a. ~~One unit of United States history;~~
  - b. ~~(1) One-half unit of United States government and one-half unit of economics; or~~  
~~(2) One unit of problems of democracy; and~~
  - c. ~~One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;~~

5. a. ~~One unit of physical education; or~~  
b. ~~One-half unit of physical education and one-half unit of health;~~
6. ~~Three units of:~~
  - a. ~~Foreign languages;~~
  - b. ~~Native American languages;~~
  - c. ~~Fine arts; or~~
  - d. ~~Career and technical education courses; and~~
7. ~~Any five additional units.~~
1. The twenty-two units of high school coursework set forth in section 11 of this Act; and
2. Any additional units of high school coursework required by the issuing entity.

**SECTION 11.** A new section to chapter 15.1-21 of the North Dakota Century Code is created and enacted as follows:

**High school graduation - Minimum requirements.**

Except as provided in section 15.1-21-02.3, the following twenty-two units of high school coursework constitute the minimum requirement for high school graduation:

1. Four units of English language arts from a sequence that includes literature, composition, and speech;
2. Three units of mathematics;
3. Three units of science, including:
  - a. One unit of physical science;
  - b. One unit of biology; and
  - c. (1) One unit of any other science; or  
(2) Two one-half units of any other science;
4. Three units of social studies, including:
  - a. One unit of United States history;
  - b. (1) One-half unit of United States government and one-half unit of economics; or  
(2) One unit of problems of democracy; and
  - c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;
5. a. One unit of physical education; or

- b. One-half unit of physical education and one-half unit of health;
- 6. Three units of:
  - a. Foreign languages;
  - b. Native American languages;
  - c. Fine arts; or
  - d. Career and technical education courses; and
- 7. Any five additional units.

**SECTION 12. AMENDMENT.** Section 15.1-21-02.4 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.4. North Dakota career and technical education scholarship.**

Any resident student who graduates from a high school during or after the 2010-11 school year is eligible to receive a North Dakota career and technical education scholarship provided the student ~~completes all requirements set forth in subsections 1 through 5 and subsection 7 of section 15.1-21-02.1 for a high school diploma and:~~

- 1. Completed four units of English language arts from a sequence that includes literature, composition, and speech;
- 2. Completed three units of mathematics, including:
  - a. ~~Completes one~~One unit of algebra II, as defined by the superintendent of public instruction, ~~in fulfillment of the mathematics requirement set forth in subsection 2 of section 15.1-21-02.1; and~~
  - b. ~~Completes two~~Two units of any other mathematics;
- 3. Completed three units of science, including:
  - a. One unit of physical science;
  - b. One unit of biology; and
  - c. (1) One unit of any other science; or  
(2) Two one-half units of any other science;
- 4. Completed three units of social studies, including:
  - a. One unit of United States history;
  - b. (1) One-half unit of United States government and one-half unit of economics; or  
(2) One unit of problems of democracy; and
  - c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;
- 5. a. Completed one unit of physical education; or



- b. One-half unit of physical education and one-half unit of health;
- 6. Completed:
  - a. One unit selected from:
    - (1) Foreign languages;
    - (2) Native American languages;
    - (3) American sign language;
    - (4) Fine arts; or
    - (5) Career and technical education courses; and
  - b. Two units of a coordinated plan of study recommended by the department of career and technical education and approved by the superintendent of public instruction; and
- ~~e-7.~~ Completed any five additional units, two of which must be in the area of career and technical education;
- ~~2.~~ Obtains a grade of at least "C" in each unit or one-half unit required for the diploma;
- ~~3-8.~~ a. (1) ~~Obtains~~Obtained a cumulative grade point average of at least "B"3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based on all high school units in which the student was enrolled; and
  - (2) Obtained a grade of at least "C" in each unit or one-half unit; or
- b. (1) Obtained a cumulative grade point average of at least 3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based only on the units required by subsections 1 through 7 of this section; and
  - (2) Obtained a grade of at least "C" in each unit or one-half unit; and
- ~~4-9.~~ ReceivesReceived:
  - a. A composite score of at least twenty-four on an ACT; or
  - b. A score of at least five on each of three WorkKeys assessments recommended by the department of career and technical education and approved by the superintendent of public instruction.

**SECTION 13. AMENDMENT.** Section 15.1-21-02.5 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.5. North Dakota academic scholarship.**

Any resident student who graduates from a high school during or after the 2010-11 school year is eligible to receive a North Dakota academic scholarship provided the student ~~completes all requirements set forth in subsections 1 through 5 and subsection 7 of section 15.1-21-02.1 for a high school diploma and:~~

- 1. Completed four units of English language arts from a sequence that includes literature, composition, and speech;

2. Completed three units of mathematics, including:
  - a. ~~Completes one~~One unit of algebra II, as defined by the superintendent of public instruction, ~~in fulfillment of the mathematics requirement set forth in subsection 2 of section 16.1-21-02.1; and~~
  - b. ~~Completes one additional~~One unit of mathematics for which algebra II, as defined by the superintendent of public instruction, is a prerequisite; ~~and~~
- e-3. Completed three units of science, including:
  - a. One unit of physical science;
  - b. One unit of biology; and
  - c. (1) One unit of any other science; or  
(2) Two one-half units of any other science;
4. Completed three units of social studies, including:
  - a. One unit of United States history;
  - b. (1) One-half unit of United States government and one-half unit of economics; or  
(2) One unit of problems of democracy; and
  - c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;
5. a. Completed one unit of physical education; or  
b. One-half unit of physical education and one-half unit of health;
6. a. Completed:
  - (1) Two units of the same foreign or native American language;
  - (2) ~~One unit of fine arts or career and technical education~~American sign language; and

(3)b. One unit of a foreign or native selected from:

  - (1) Foreign languages;
  - (2) Native American language, fine languages;
  - (3) American sign language;
  - (4) Fine arts, or career; or
  - (5) Career and technical education;
2. Obtains a grade of at least "C" in each unit or one-half unit required for the diploma;

- ~~3-7.~~ Obtains~~Completed~~ any five additional units, one of which must be in the area of fine arts or career and technical education;
8. a. (1) Obtained a cumulative grade point average of at least "B"3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based on all high school units in which the student was enrolled; and
- (2) Obtained a grade of at least "C" in each unit or one-half unit; or
- b. (1) Obtained a cumulative grade point average of at least 3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based only on the units required by subsections 1 through 7 of this section; and
- (2) Obtained a grade of at least "C" in each unit or one-half unit;
- 4-9. Receives~~Received~~ a composite score of at least twenty-four on an ACT; and
- 5-10. a. Completes~~Fulfilled~~ any one unit requirement set forth in subsections 1 through 7 of this section by means of an advanced placement course and examination; or
- b. Fullfilled any one-half unit requirement set forth in subsections 1 through 7 of this section by means of a dual-credit course.

**SECTION 14. AMENDMENT.** Section 15.1-21-02.6 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.6. North Dakota scholarship - Amount - Applicability.**

1. a. The state board of higher education shall provide to any student certified as being eligible by the superintendent of public instruction either a North Dakota academic scholarship or a North Dakota career and technical education scholarship in the amount of seven hundred fifty dollars for each semester during which the student is enrolled full time at an accredited institution of higher education in this state and maintains a cumulative grade point average of 2.75.
- b. The state board of higher education shall provide to any student certified as being eligible by the superintendent of public instruction either a North Dakota academic scholarship or a North Dakota career and technical education scholarship in the amount of five hundred dollars for each quarter during which the student is enrolled full time at an accredited institution of higher education in this state and maintains a cumulative grade point average of 2.75.
2. A student is not entitled to receive more than six thousand dollars under this section.
3. The state board of higher education shall forward the scholarship directly to the institution in which the student is enrolled.
4. a. (1) This section does not require a student to be enrolled in consecutive semesters.
- (2) This section does not require a student to be enrolled in consecutive quarters.



of public instruction may not administer the grade eleven test after December first of each school year.

**SECTION 17. AMENDMENT.** Section 15.1-21-18 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-18. Career interest inventory - Educational and career planning - Consultation.**

1. A school district shall administer to students, once during their enrollment in grade seven or eight and once during their enrollment in grade nine or ten, a career interest inventory recommended by the department of career and technical education and approved by the superintendent of public instruction.
2. At least once during the seventh or eighth grade, each school district shall arrange for students to participate in either an individual consultative process or a nine-week course, for the purpose of discussing the results of their career interest inventory, selecting high school courses appropriate to their educational pursuits and career interests, and developing individual high school education plans.
3. Each school district shall notify its high school students that, upon request, a student is entitled to receive a consultative review of the student's individual high school education plan at least once during each high school grade. Upon the request of a student, the school district shall provide the consultative review.
4. Each school district shall verify compliance with the requirements of this section at the time and in the manner required by the superintendent of public instruction.

**SECTION 18. AMENDMENT.** Section 15.1-21-19 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-19. Summative assessment - Selection - Cost - Exemptions.**

1. Except as otherwise provided, each public and nonpublic school student in grade eleven shall take the ACT, including the writing test, or three WorkKeys assessments recommended by the department of career and technical education and approved by the superintendent of public instruction. The student shall determine which summative assessment to take. ~~The student's school district of residence~~ superintendent of public instruction is responsible for the cost of procuring and administering one summative assessment ~~and its administration~~ per student.
2. The student's career advisor or guidance counselor shall meet with the student to review the student's assessment results.
3. A school district superintendent or a school administrator in the case of a nonpublic school student may exempt a student from the requirements of this section if taking the test is not required by the student's individualized education program plan or if other special circumstances exist.
4. ~~If the superintendent of public instruction determines that the cost of the summative assessment and its administration can be reduced through use of a state procurement process, the superintendent shall work with the school districts to procure and arrange for the administration of the assessment and shall withhold each district's share of the total cost from any state aid otherwise payable to the district.~~ At the time and in the manner determined by the superintendent of public instruction, each

school district superintendent and each school administrator in the case of a nonpublic school shall report the number of eleventh grade students who:

- a. Took the ACT, including the writing test;
- b. Took the three WorkKeys assessments; and
- c. Were exempted from the requirements of this section, together with the reason for each exemption.

**SECTION 19. AMENDMENT.** Section 15.1-22-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-22-01. Kindergarten - Establishment by board - Request by parent - Levy.**

1. ~~Upon its own motion, the~~The board of a school district ~~may establish a free public kindergarten.~~
2. ~~If the board receives a written request to provide kindergarten from the parent of a student who will be enrolled in the kindergarten, the board shall either provide at least a half-day kindergarten program for the student~~any student enrolled in the district or pay the tuition required for the student to attend at least a half-day kindergarten program in another school district.
- 3.2. The board of a school district that establishes a kindergarten under this section may levy a tax pursuant to subdivision p of subsection 1 of section 57-15-14.2.

**SECTION 20. AMENDMENT.** Section 15.1-27-03.1 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-03.1. ~~(Effective through June 30, 2011) Weighted average daily membership—Determination.~~**

1. ~~For each school district, the superintendent of public instruction shall multiply by:~~
  - a. ~~1.00 the number of full-time equivalent students enrolled in a migrant summer program;~~
  - b. ~~1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;~~
  - c. ~~0.60 the number of full-time equivalent students enrolled in a summer education program;~~
  - d. ~~0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;~~
  - e. ~~0.30 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and are enrolled in a program of instruction for English language learners;~~
  - f. ~~0.25 the number of full-time equivalent students enrolled in an alternative high school;~~

- ~~g. 0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
  - ~~h. 0.25 the number of full-time equivalent students enrolled in an isolated high school;~~
  - ~~i. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;~~
  - ~~j. 0.20 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be not proficient and are enrolled in a program of instruction for English language learners;~~
  - ~~k. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;~~
  - ~~l. 0.07 the number of students enrolled in average daily membership, in order to support the provision of special education services;~~
  - ~~m. 0.07 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be somewhat proficient and are enrolled in a program of instruction for English language learners;~~
  - ~~n. 0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; and~~
  - ~~o. 0.002 the number of students enrolled in average daily membership, in order to support technology.~~
- ~~2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.~~

~~(Effective after June 30, 2011) Weighted average daily membership - Determination.~~

- ~~1. For each school district, the superintendent of public instruction shall multiply by:~~
  - ~~a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;~~
  - ~~b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;~~
  - ~~c. 0.60 the number of full-time equivalent students enrolled in a summer education program;~~
  - ~~d. 0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;~~
  - ~~e. 0.30 the number of full-time equivalent students who-~~
    - ~~(1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be least~~

proficient and placed in the first of six categories of proficiency; and are

- (2) Are enrolled in a program of instruction for English language learners;
- f. 0.25 the number of full-time equivalent students enrolled in an alternative high school;
- g. ~~0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
- h. ~~0.25 the number of full-time equivalent students enrolled in an isolated high school;~~
- i. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;
- ~~j-h.~~ 0.20 the number of full-time equivalent students who ~~are~~
  - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be ~~not more~~ proficient than students placed in the first of six categories of proficiency and therefore placed in the second of six categories of proficiency; and are
  - (2) Are enrolled in a program of instruction for English language learners;
- ~~k-i.~~ 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;
- ~~t-j.~~ 0.070.10 the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average daily membership and the district consists of an area greater than two hundred seventy-five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students in average daily membership must be deemed to have an enrollment equal to fifty students in average daily membership;
- ~~k.~~ 0.073 the number of students enrolled in average daily membership, in order to support the provision of special education services;
- ~~m-l.~~ 0.07 the number of full-time equivalent students who ~~are~~
  - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be ~~somewhat more~~ proficient and ~~are~~ than students placed in the second of six categories of proficiency and therefore placed in the third of six categories of proficiency;
  - (2) Are enrolled in a program of instruction for English language learners; and
  - (3) Have not been in the third of six categories of proficiency for more than three years;
- ~~n-m.~~ 0.025 the number of students representing that percentage of the total number of students in average daily membership which is



equivalent to the three-year average percentage of students in grades three through eight who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.];

n. 0.006 the number of students enrolled in average daily membership in each public school in the district that:

(1) Has acquired and is utilizing the PowerSchool student information system;

(2) Has acquired and is in the process of implementing the PowerSchool student information system; or

(3) Will acquire the PowerSchool student information system during the current school year, provided the acquisition is contractually demonstrated; and

o. 0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; ~~and~~

p. ~~0.002 the number of students enrolled in average daily membership, in order to support technology.~~

2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.

**SECTION 21. AMENDMENT.** Section 15.1-27-04 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-04. Per student payment rate.**

1. a. The per student payment rate to which each school district is entitled for the first year of the biennium is three thousand ~~twennine~~ thirty hundred dollars.
- b. The per student payment rate to which each school district is entitled for the second year of the biennium is three thousand ~~severnine~~ seventy-nine hundred ~~seventy~~ dollars.
2. In order to determine the state aid payment to which each district is entitled, the superintendent of public instruction shall multiply each district's weighted student units by the per student payment rate set forth in subsection 1.

**SECTION 22. AMENDMENT.** Section 15.1-27-07.2 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-07.2. Baseline funding - Determination - Minimum and maximum allowable increases.**

1. The superintendent of public instruction shall determine each school district's baseline funding per weighted student unit by:
  - a. Adding together all state aid received by the district during the 2006-07 school year;

- b. Subtracting the amount received by the district during the 2006-07 school year for transportation aid, special education excess cost reimbursements, special education contracts, prior year funding adjustments, and per student payments for participation in educational associations governed by joint powers agreements; and
  - c. Dividing the amount determined under subdivision b by the district's 2007-08 weighted student units.
2. a. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, for the 2009-10 school year, is at least equal to one hundred eight percent of the baseline funding per weighted student unit, as established in subsection 1.  
b. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, for each school year after the 2009-10 school year, is at least equal to one hundred twelve and one-half percent of the baseline funding per weighted student unit, as established in subsection 1.
3. a. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, less any amount received as equity payments under section 15.1-27-11 per weighted student unit, does not exceed, for the ~~2009-10~~2011-12 school year, one hundred ~~twentyfour~~two percent of the baseline funding per weighted student unit, as established in subsection 1.  
b. ~~The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, less any amount received as equity payments under section 15.1-27-11 per weighted student unit, does not exceed, for each school year after the 2009-10 school year, one hundred thirty four percent of the baseline funding per weighted student unit, as established in subsection 1.~~

**SECTION 23. AMENDMENT.** Section 15.1-27-11 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-11. Equity payments.**

1. The superintendent of public instruction shall:
  - a. Divide the imputed taxable valuation of the state by the total average daily membership of all school districts in the state in order to determine the state average imputed taxable valuation per student.
  - b. Divide the imputed taxable valuation of each school district by the district's total average daily membership in order to determine each district's average imputed taxable valuation per student.
2. If a school district's imputed taxable valuation per student is less than ninety percent of the statewide imputed taxable valuation per student, the superintendent of public instruction shall calculate the valuation deficiency by:
  - a. Determining the difference between ninety percent of the state average imputed taxable valuation per student and the district's average imputed taxable valuation per student; and

- b. Multiplying that difference by the district's total average daily membership.
3. Except as provided in subsection 4, the equity payment to which a district is entitled under this section equals the district's valuation deficiency multiplied by the lesser of:
  - a. The district's general fund levy for the taxable year 2008; or
  - b. One hundred eighty-five mills.
4.
  - a. The equity payment to which a district is entitled may not exceed the district's taxable valuation multiplied by its general fund levy for the taxable year 2008.
  - b. If a district's general fund levy for the taxable year 2008 is less than one hundred eighty-five mills, the superintendent of public instruction shall subtract the district's general fund levy for the taxable year 2008 from one hundred eighty-five mills, multiply the result by the district's taxable valuation, and subtract that result from the equity payment to which the district is otherwise entitled.
  - c. If a district's imputed taxable valuation per student is less than fifty percent of the statewide imputed taxable valuation per student, the payment to which the district is entitled under this section may not be less than twenty percent of the statewide imputed taxable valuation per student times the school district's average daily membership, multiplied by one hundred eighty-five mills.
5. In determining the amount to which a school district is entitled under this section, the superintendent of public instruction may not include any payments received by the district as a result of Public Law No. 81-874 [64 Stat. 1100; 20 U.S.C. 236 et seq.] and may not include in the district's average daily membership students who are dependents of members of the armed forces and students who are dependents of civilian employees of the department of defense.
6. In determining the statewide average imputed taxable valuation per student for purposes of this section, the superintendent of public instruction may not include:
  - a. Any school district, which if included in the calculation would have an imputed taxable valuation per student that is three times greater than the statewide average imputed taxable valuation per student; and
  - b. Any school district, which if included in the calculation would have an imputed taxable valuation per student that is less than one-fifth of the statewide average imputed taxable valuation per student.
7. For purposes of this section:
  - a. "General fund levy" includes a district's high school transportation levy and its high school tuition levy.
  - b. "Imputed taxable valuation" means the valuation of all taxable real property in the district plus:
    - (1) An amount determined by dividing seventy percent of the district's mineral and tuition revenue, revenue from payments in lieu of property taxes on distribution and transmission of electric power, revenue from payments in lieu of taxes from

electricity generated from sources other than coal, and revenue received on account of the leasing of lands acquired by the United States for flood control, navigation, and allied purposes in accordance with 33 U.S.C. 701c-3 by the district's general fund mill levy for the taxable year 2008; and

- (2) An amount determined by dividing the district's revenue from mobile home taxes and telecommunications taxes by the district's general fund mill levy for the taxable year 2008.
- c. "Mineral revenue" includes all revenue from county sources reported under code 2000 of the North Dakota school district financial accounting and reporting manual as developed by the superintendent of public instruction in accordance with section 15.1-02-08.
- d. "Tuition revenue" includes all revenue reported under code 1300 of the North Dakota school district financial accounting and reporting manual as developed by the superintendent of public instruction in accordance with section 15.1-02-08. "Tuition revenue" does not include tuition income received specifically for the operation of an educational program provided at a residential treatment facility.

**SECTION 24. AMENDMENT.** Section 15.1-27-35.3 of the North Dakota Century Code is amended and reenacted as follows:

**~~15.1-27-35.3. (Effective through June 30, 2011) Payments to school districts—Unobligated general fund balance—Report to legislative council.~~**

- ~~1. The superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of fifty percent of its actual expenditures, plus twenty thousand dollars. Beginning July 1, 2008, the superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty five percent of its actual expenditures, plus twenty thousand dollars.~~
- ~~2. In making the determination required by subsection 1, the superintendent of public instruction may not include in a district's unobligated general fund balance any moneys that:~~
  - ~~a. (1) Were received by the district during the school year ending June 30, 2009, on account of the leasing of lands acquired by the United States for flood control, navigation, and allied purposes in accordance with 33 U.S.C. 701c-3; and~~
    - ~~(2) Exceeded the amount received by the district during the school year ending June 30, 2008, for the purpose stated in paragraph 1;~~
  - ~~b. Were received directly by the district from the United States government in accordance with the American Recovery and Reinvestment Act of 2009; or~~
  - ~~c. Were received by the district as supplemental one-time grants under section 52 of S.L. 2009, ch. 175.~~

3. ~~Any district having more than fifty thousand dollars excluded in the determination of its ending fund balance, as required by subsection 2, shall provide a report to the legislative council. The report, which must be presented at the time and in the manner directed by the legislative council, must address how the money was expended, including the number of mills by which the district was able to decrease its property taxes, if such was a permitted use.~~

~~(Effective after June 30, 2014) Payments to school districts - Unobligated general fund balance.~~

1. ~~The superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of fifty percent of its actual expenditures, plus twenty thousand dollars. Beginning July 1, 2008, the superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty-five percent of its actual expenditures, plus twenty thousand dollars.~~
2. In making the determination required by subsection 1, the superintendent of public instruction may not include in a district's unobligated general fund balance any moneys that were received by the district from the federal education jobs fund program.

**SECTION 25.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Supplemental teacher-effectiveness compensation plan.**

1. A representative organization authorized by a negotiating unit, as defined in subdivision b of subsection 2 of section 15.1-16-01, and the board of a school district may agree to pursue a supplemental teacher-effectiveness compensation plan for teachers in the negotiating unit.
2. The negotiating unit may include:
  - a. All teachers employed by the board to teach in the school district; or
  - b. All teachers employed by the board to teach at a particular school in the district.
3. For purposes of this section and the implementation of the supplemental teacher-effectiveness compensation plan, "teacher" means an individual defined in subdivision b of subsection 6 of section 15.1-02-13.

**SECTION 26.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Supplemental teacher-effectiveness compensation plan - Development committee - Membership.**

1. Upon agreeing to pursue a supplemental teacher-effectiveness compensation plan, the board of the school district and the representative organization shall form a committee to develop the plan. The membership of the committee must be agreed upon by the board of the school district and the representative organization.

2. At the initial meeting of the committee, the members shall establish rules of operation and procedure.
3. The committee formed under this section is a public entity for purposes of chapter 44-04.

**SECTION 27.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Supplemental teacher-effectiveness compensation plan - Required content.**

1. A supplemental teacher-effectiveness compensation plan developed under this section must:
  - a. Include only matters of compensation and may not include other terms or conditions of employment normally negotiated under chapter 15.1-16;
  - b. Provide for a determination of compensation that takes into account:
    - (1) Whether the school district has had difficulty filling a particular position with a suitable and highly qualified teacher;
    - (2) Whether a teacher has advanced academic degrees or special skills and knowledge beyond those minimally required for a position;
    - (3) Whether a teacher has pursued certified professional development activities beyond those minimally required for a position;
    - (4) Whether a teacher has assumed responsibilities that are beyond those minimally required for a position; and
    - (5) Various measures of student growth, including academic growth;
  - c. Include a rigorous and objective system of teacher evaluation that equitably links an individual's performance to the opportunity for additional compensation; and
  - d. Ensure that no teacher subject to the plan will receive less total compensation than that teacher was eligible to receive under the last contract negotiated under chapter 15.1-16.
2. A supplemental teacher-effectiveness compensation plan is not subject to a declaration of impasse under chapter 15.1-16.

**SECTION 28.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Supplemental teacher-effectiveness compensation plan - Review panel - Duties.**

1. Upon agreeing to a supplemental teacher-effectiveness compensation plan, the plan development committee shall forward the plan to a panel consisting of:
  - a. Two employees of the department of public instruction, selected by the superintendent of public instruction;

- b. Two individuals appointed by the North Dakota council of educational leaders;
  - c. Two individuals appointed by the North Dakota education association; and
  - d. Two individuals appointed by the North Dakota school boards association.
2. Beginning April 1, 2012, the panel shall review each plan that is submitted to ensure that it meets the requirements of section 27 of this Act.

**SECTION 29.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Supplemental teacher-effectiveness compensation plan - Review panel - Additional duties.**

In addition to the duties set forth in section 28 of this Act, the review panel shall:

1. Develop and distribute guidelines pertaining to the creation of supplemental teacher-effectiveness compensation plans;
2. Upon request meet with and advise plan development committees pursuing the creation of supplemental teacher-effectiveness compensation plans; and
3. Provide advice to the superintendent of public instruction regarding the hiring of any employees or the selection of any contractors whose duties will be related to supplemental teacher-effectiveness compensation.

**SECTION 30.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Annual report - Required content.**

1. Any school district that receives state moneys to implement a supplemental teacher-effectiveness compensation plan shall file an annual report with the superintendent of public instruction, at the time and in the manner directed by the superintendent. The report must address whether the plan has:
  - a. Alleviated difficulty filling particular positions with suitable and highly qualified teachers;
  - b. Encouraged teachers to pursue advanced academic degrees or acquire special skills and knowledge beyond those minimally required for a position;
  - c. Encouraged teachers to pursue certified professional development activities beyond those minimally required for a position;
  - d. Encouraged teachers to assume additional responsibilities that are beyond those minimally required for a position; and
  - e. Resulted in measurable student growth, including academic growth.
2. The report also must include suggestions for modifications to the plan, if appropriate.

3. The representative organization shall indicate in writing its agreement with the report and the suggestions for modifications, as submitted by the school district in accordance with this section, or provide to the superintendent of public instruction a separate report together with any suggestions for modifications.
4. The superintendent of public instruction shall provide copies of the report to the plan review panel established by section 28 of this Act.

**SECTION 31.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Existing contracts - Terms - Effect.**

1. The terms of any contract entered before July 1, 2011, between the board of a school district and a representative organization in accordance with chapter 15.1-16, remain in force and effect for the duration of the contract.
2. A supplemental teacher-effectiveness compensation plan authorized by this Act may take effect on July 1, 2012.

**SECTION 32.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Plan review panel - Reimbursement for expenses.**

Each member of the supplemental teacher-effectiveness compensation plan review panel is entitled to receive reimbursement for expenses as provided by law for state officials if the member is attending meetings or performing duties directed by the panel.

**SECTION 33. AMENDMENT.** Section 15.1-36-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-36-02. School construction projects - Loans.**

1. The board of university and school lands may authorize the use of moneys in the coal development trust fund established pursuant to section 21 of article X of the Constitution of North Dakota and subsection 1 of section 57-62-02 to provide school construction loans, as described in this chapter. The outstanding principal balance of loans under this chapter may not exceed fifty million dollars. The board may adopt policies and rules governing school construction loans.
2. In order to be eligible for a loan under this section, the board of a school district shall:
  - a. Propose a construction project with a cost of at least one million dollars and an expected utilization of at least thirty years;
  - b. Obtain the approval of the superintendent of public instruction for the construction project under section 15.1-36-01; and
  - c. Submit to the superintendent of public instruction an application containing all information deemed necessary by the superintendent, including potential alternative sources or methods of financing the construction project.



3. The superintendent of public instruction shall give priority to any district that meets the requirements for receipt of an equity payment under section 15.1-27-11.
4. If an eligible school district's imputed taxable valuation per student is less than eighty percent of the state average imputed valuation per student, the district is entitled to receive:
  - a. A school construction loan equal to the lesser of ~~eight~~twelve million dollars or eighty percent of the actual project cost;
  - b. An interest rate discount equal to at least ~~fifty~~one hundred but not more than two hundred fifty basis points below the prevailing tax-free bond rates; and
  - c. A term of repayment that may extend up to twenty years.
5. If an eligible school district's imputed taxable valuation per student is equal to at least eighty percent but less than ninety percent of the state average imputed taxable valuation per student, the district is entitled to receive:
  - a. A school construction loan equal to the lesser of ~~seventen~~ million dollars or seventy percent of the actual project cost;
  - b. An interest rate buydown equal to at least ~~fifty~~one hundred but not more than two hundred fifty basis points below the prevailing tax-free bond rates; and
  - c. A term of repayment that may extend up to twenty years.
6. If an eligible school district's imputed taxable valuation per student is equal to at least ninety percent of the state average imputed taxable valuation per student, the district is entitled to receive:
  - a. A school construction loan equal to the lesser of ~~twefour~~ million-~~five hundred thousand~~ dollars or thirty percent of the actual project cost;
  - b. An interest rate discount equal to at least ~~fifty~~one hundred but not more than two hundred fifty basis points below the prevailing tax-free bond rates; and
  - c. A term of repayment that may extend up to twenty years.
7. The board of a school district may submit its loan application to the superintendent of public instruction before or after receiving authorization of a bond issue in accordance with chapter 21-03. If the vote to authorize a bond issue precedes the application for a loan, the application must be acted upon by the superintendent expeditiously but no later than one hundred eighty days from the date it is received by the superintendent.
8. The superintendent of public instruction shall consider each loan application in the order it received approval under section 15.1-36-01.
9. If the superintendent of public instruction approves the loan, the superintendent may determine the loan amount, the term of the loan, and the interest rate, in accordance with the requirements of this section.
10. The superintendent of public instruction may adopt rules governing school construction loans.

11. For purposes of this section, a construction project means the purchase, lease, erection, or improvement of any structure or facility by a school board, provided the acquisition or activity is within a school board's authority.

**SECTION 34. AMENDMENT.** Section 15.1-37-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-37-01. Early childhood education program - Approval.**

1. Any person or school district operating an early childhood education program may request approval of the program from the superintendent of public instruction. The superintendent shall approve an early childhood education program if the program:
  - ~~1.a.~~ Is taught by individuals who are licensed to teach in early childhood education by the education standards and practices board;
  - ~~2.b.~~ Follows a developmentally appropriate curriculum; ~~and~~
  - ~~3.c.~~ Is in compliance with all municipal and state health, fire, and safety requirements; ~~and~~
  - d. Limits its enrollment to children who have reached the age of four before August first in the year of enrollment.
2. ~~Per student funding will not be provided to individuals or school districts offering a prekindergarten.~~ In determining the state aid payments to which a school district is entitled, the superintendent of public instruction may not count any student enrolled in a regular early childhood education program.

**SECTION 35. AMENDMENT.** Subsection 1 of section 15.1-37-02 of the North Dakota Century Code is amended and reenacted as follows:

1. The North Dakota early childhood education council consists of:
  - a. A chairman appointed by the governor;
  - b. The superintendent of public instruction, or the superintendent's designee;
  - c. The state health officer, or the officer's designee;
  - d. The director of the department of human services, or the director's designee;
  - e. The North Dakota head start - state collaboration administrator, or the administrator's designee;
  - f. The commissioner of higher education, or the commissioner's designee;
  - g. The commissioner of commerce, or the commissioner's designee;
  - h. The chairman of the senate education committee, or the chairman's designee;
  - ~~h.i.~~ The chairman of the house of representatives education committee, or the chairman's designee; and

- i.j. The following gubernatorial appointees:
- (1) The superintendent of a school district having at least one thousand students in average daily membership;
  - (2) The superintendent of a school district having fewer than one thousand students in average daily membership;
  - (3) The superintendent of a school district headquartered on a reservation or including reservation land within its boundaries;
  - (4) ~~The principal of a school district;~~
  - ~~(5) An individual employed as an elementary school teacher;~~
  - (6) An individual representing a non-religious-based provider of ~~preschool~~early childhood education;
  - ~~(7)(5) An individual representing a religious-based provider of preschool~~early childhood education;
  - ~~(8)(6) An individual representing a center-based licensed child care provider;~~
  - ~~(9)(7) An individual representing a home-based licensed child care provider;~~
  - ~~(10)(8) An individual representing a reservation-based head start program;~~
  - ~~(11)(9) An elected member of a school board;~~
  - ~~(12)(10) The parent of a child not yet enrolled in elementary school; and~~
  - ~~(13)(11) The parent of a child with ~~special needs~~disabilities not yet enrolled in elementary school; and~~
  - (12) An individual representing children with disabilities.

**SECTION 36. AMENDMENT.** Section 15.1-37-03 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-37-03. Council - Duties.**

The council shall:

1. Review the ~~delivery~~availability and provision of early childhood education, ~~care, and services~~ in this state;
2. ~~Conduct a needs assessment;~~
3. ~~Review early childhood education standards and propose revisions to the standards as needed;~~
4. ~~Review~~Identify opportunities for public and private sector collaboration in the ~~delivery~~provision of early childhood education, ~~care, and services~~ in this state;
5. ~~Develop a comprehensive plan governing the delivery of early childhood education in this state; and~~

- 6-3. Identify ways to assist with the recruitment and retention of individuals interested in working as providers of early childhood education, care, and services, including training and continuing education or professional development opportunities;
4. Seek the advice and guidance of individuals who are uniquely familiar with the nature, scope, and associated challenges of providing early childhood education, care, and services in geographically and socioeconomically diverse settings, and develop recommendations pertaining to the short-term and longer-term improvement and expansion of early childhood education, care, and services in this state; and
5. Provide a biennial report regarding its activities findings and recommendations to the governor and the legislative ~~council~~ assembly.

**SECTION 37. AMENDMENT.** Section 57-15-14 of the North Dakota Century Code is amended and reenacted as follows:

**57-15-14. General fund levy limitations in school districts.**

The aggregate amount levied each year for the purposes listed in section 57-15-14.2 by any school district, except the Fargo school district, may not exceed the amount in dollars which the school district levied for the prior school year plus twelve percent up to a general fund levy of one hundred eighty-five mills on the dollar of the taxable valuation of the district, except that:

1. In any school district having a total population in excess of four thousand according to the last federal decennial census there may be levied any specific number of mills that upon resolution of the school board has been submitted to and approved by a majority of the qualified electors voting upon the question at any regular or special school district election.
2. In any school district having a total population of fewer than four thousand, there may be levied any specific number of mills that upon resolution of the school board has been approved by fifty-five percent of the qualified electors voting upon the question at any regular or special school election.
3. After June 30, 2009, in any school district election for approval by electors of increased levy authority under subsection 1 or 2, the ballot must specify the number of mills proposed for approval, and the number of taxable years for which that approval is to apply. After June 30, 2009, approval by electors of increased levy authority under subsection 1 or 2 may not be effective for more than ten taxable years.
4. The authority for a levy of up to a specific number of mills under this section approved by electors of a school district before July 1, 2009, is terminated effective for taxable years after 2015. If the electors of a school district subject to this subsection have not approved a levy for taxable years after 2015 of up to a specific number of mills under this section by December 31, 2015, the school district levy limitation for subsequent years is subject to the limitations under section 57-15-01.1 or this section.
5. The authority for an unlimited levy approved by electors of a school district before July 1, 2009, is terminated effective for taxable years after 2015. If the electors of a school district subject to this subsection have not approved a levy of up to a specific number of mills under this section by December 31, 2015, the school district levy limitation for subsequent years is subject to the limitations under section 57-15-01.1 or this section.

6. A school district that experiences a rapidly increasing taxable valuation may levy, for the taxable year of the rapidly increasing taxable valuation and the next taxable year, the amount in dollars which the school district levied for the prior school year plus eighteen percent, up to a general fund levy of one hundred eighty-five mills on the dollar of the taxable valuation of the district. For purposes of this subsection, "rapidly increasing taxable valuation" means an increase of twenty percent or more in taxable valuation from the immediately preceding taxable year.

The question of authorizing or discontinuing such specific number of mills authority in any school district must be submitted to the qualified electors at the next regular election upon resolution of the school board or upon the filing with the school board of a petition containing the signatures of qualified electors of the district equal in number to ten percent of the number of electors who cast votes in the most recent election in the school district. However, not fewer than twenty-five signatures are required. However, the approval of discontinuing such authority does not affect the tax levy in the calendar year in which the election is held. The election must be held in the same manner and subject to the same conditions as provided in this section for the first election upon the question of authorizing the mill levy.

#### **SECTION 38. ISOLATED SCHOOLS - TRANSITION PAYMENTS.**

1. If during the 2010-11 school year a school district received payments as a result of section 15.1-27-15, as the section existed on June 30, 2011, and if that district is not eligible for the factor established under subdivision j of subsection 1 of section 15.1-27-03.1, the district is entitled to the following transition payments:
  - a. For the 2011-12 school year, an amount equal to that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011;
  - b. For the 2012-13 school year, an amount equal to seventy-five percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011;
  - c. For the 2013-14 school year, an amount equal to fifty percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011; and
  - d. For the 2014-15 school year, an amount equal to twenty-five percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011.
2. Upon the closure of a school that met the definition of isolated under section 15.1-27-15, as it existed on June 30, 2011, the superintendent of public instruction shall cease to provide to the district the transition payments established under subsection 1.

#### **SECTION 39. TRANSPORTATION GRANTS - DISTRIBUTION.**

1. During each year of the 2011-13 biennium, the superintendent of public instruction shall calculate the payment to which each school district is entitled based on the state transportation formula as it existed on June 30, 2001, except that the superintendent shall provide reimbursement at the rate of:
  - a. One dollar and three cents per mile for schoolbuses having a capacity of ten or more passengers;

- b. Forty-six cents per mile for vehicles having a capacity of nine or fewer passengers;
  - c. Forty-six cents per mile, provided:
    - (1) The student being transported is a student with a disability, as defined in chapter 15.1-32;
    - (2) The student's individualized education program plan requires that the student attend a public or a nonpublic school located outside the student's school district of residence;
    - (3) The student is transported by an adult member of the student's family;
    - (4) The student is transported in a vehicle furnished by the student's parents;
    - (5) The student's transportation is paid for by the student's parents; and
    - (6) The reimbursement does not exceed two round trips daily between the student's home and school.
  - d. Forty-six cents per mile, one way, provided:
    - (1) The student being transported resides more than two miles from the public school that the student attends;
    - (2) The student is transported by an adult member of the student's family;
    - (3) The student is transported in a vehicle furnished by the student's parents; and
    - (4) The student's transportation is paid for by the student's parents; and
  - e. Twenty-six cents per student for each one-way trip.
- 2. The superintendent of public instruction shall use the latest available student enrollment count in each school district in applying the provisions of subsection 1.
  - 3. If any moneys provided for transportation payments in the grants transportation line item in the appropriation bill for the superintendent of public instruction, as approved by the sixty-second legislative assembly, remain after application of the formula provided for in this section, the superintendent of public instruction shall prorate the remaining amounts according to the percentage of the total transportation formula amount to which each school district is entitled.
  - 4. This section does not authorize the reimbursement of any costs incurred in providing transportation for student attendance at extracurricular activities or events.

**SECTION 40. SCHOOL DISTRICT RAPID ENROLLMENT GROWTH - GRANTS.** During the 2011-13 biennium, the superintendent of public instruction shall expend up to \$5,000,000 from the grants - other grants line item in the appropriation bill for the superintendent of public instruction, as approved by the sixty-second

legislative assembly, for the purpose of providing a grant to any school district that can demonstrate rapid enrollment growth in accordance with this section.

1. If the number of full-time equivalent students enrolled in a school district has increased by at least three percent annually and if that increase is equal to at least twenty-five full-time equivalent students, as demonstrated by the district's September tenth fall enrollment report, the district is entitled to receive a grant equal to thirty percent of the per student payment provided for in section 15.1-27-04 multiplied by the actual increase in its full-time equivalent student enrollment.
2. If the number of full-time equivalent students enrolled in a school district has increased by at least seven percent annually and if that increase is equal to at least twenty-five full-time equivalent students, as demonstrated by the district's September tenth fall enrollment report, the district is entitled to receive a grant equal to seventy percent of the per student payment provided for in section 15.1-27-04 multiplied by the actual increase in its full-time equivalent student enrollment.
3. If the number of full-time equivalent students enrolled in a school district has increased by at least thirteen percent annually and if that increase is equal to at least twenty-five full-time equivalent students, as demonstrated by the district's September tenth fall enrollment report, the district is entitled to receive a grant equal to the per student payment provided for in section 15.1-27-04 multiplied by the actual increase in its full-time equivalent student enrollment.
4. If the amount of the expenditure provided for in this section is insufficient to meet the obligations of this section, the superintendent of public instruction shall prorate the payment based on the percentage of the total amount to which each school district is entitled.
5. A district may not receive more than \$800,000 annually in accordance with this section.

**SECTION 41. SUPPLEMENTAL TEACHER-EFFECTIVENESS COMPENSATION PLAN - GRANTS.** During the 2011-13 biennium, the superintendent of public instruction shall expend up to \$700,000 from the grants - other grants line item in the appropriation bill for the superintendent of public instruction, as approved by the sixty-second legislative assembly for the purpose of providing a grant to any school district that submits an eligible supplemental teacher-effectiveness compensation plan in accordance with section 27 of this Act.

1. The amount of the grant to which a district is entitled must provide reimbursement for any costs the district incurred in developing the plan.
2. If providing the grants to each eligible district would exceed the expenditure authorized by this section, the superintendent of public instruction, with the advice of the review panel, shall select districts of varying size to receive the grants and shall prioritize the grants based on those plans that show the greatest potential to increase teacher-effectiveness through supplemental compensation. For purposes of this subsection, the superintendent of public instruction shall consider a district to be:
  - a. Small, if it has fewer than one thousand weighted student units;
  - b. Medium, if it has at least one thousand but fewer than five thousand weighted student units; and
  - c. Large, if it has at least five thousand weighted student units.

**SECTION 42. ALTERNATIVE MIDDLE SCHOOL - GRANTS.**

1. During the 2011-13 biennium, the superintendent of public instruction shall expend up to \$300,000 from the grants - other grants line item in the appropriation bill for the superintendent of public instruction, as approved by the sixty-second legislative assembly, for the purpose of providing a grant to any school district that offers an alternative education program for students enrolled in grades six through eight.
2. The superintendent of public instruction shall determine the amount to which a school district is entitled under this section based on the district's percentage of the statewide number of students in grades six through eight who are enrolled in an alternative education program for at least fifteen hours per week.
3. A district may not receive more than \$15,000 annually in accordance with this section.

**SECTION 43. USE OF NEW MONEY - TEACHER COMPENSATION INCREASES - REPORTS TO THE LEGISLATIVE MANAGEMENT.**

1. During the 2011-13 biennium, the board of each school district shall use an amount equal to at least seventy percent of all new money received by the district for per student payments to increase the compensation paid to teachers and to provide compensation to teachers who begin employment with the district on or after July 1, 2011.
2. For purposes of this section, the superintendent of public instruction shall calculate the amount of new money received by a district during the 2011-13 biennium by:
  - a. Determining the total amount of state dollars received by each district during the 2009-11 biennium as per student payments, provided that equity payments, transportation payments, contingency distributions, mill levy reduction payments, and technology support payments are not to be included in the total;
  - b. Determining the total amount of state dollars received by each district during the 2011-13 biennium as per student payments, provided that the following are not to be included in the total:
    - (1) Contingent distributions;
    - (2) Cross-border attendance moneys;
    - (3) Deferred maintenance and physical plant improvements grants;
    - (4) Equity payments;
    - (5) Federal education jobs funds program moneys;
    - (6) Home-based education program monitoring moneys;
    - (7) Mill levy reduction payments;
    - (8) PowerSchool acquisition, implementation, and utilization moneys;
    - (9) Regional education association moneys and grants; and



- (10) Transportation payments; and
- c. Subtracting the amount arrived at under subdivision a from the amount arrived at under subdivision b.
3. School districts providing educational services under a cooperative agreement approved by the superintendent of public instruction must, for purposes of this section, be treated as a single district.
4. a. This section does not apply to a school district if the board of the school district, after a public hearing at which public testimony and documentary evidence are accepted, determines in its discretion and by an affirmative vote of two-thirds of the members of the board that complying with subsection 1 would place the school district in the position of having insufficient fiscal resources to meet the school district's other obligations.
- b. Within ten days of the vote required by subdivision a, the school board shall notify the superintendent of public instruction of its action and shall file a report detailing the grounds for its determination and action.
- c. The superintendent of public instruction shall report all notices received under this subsection to the legislative management.

**SECTION 44. CONTINGENT MONEY.** If any money appropriated to the superintendent of public instruction for state aid payments to school districts remains after the superintendent complies with all statutory payment obligations imposed for the biennium beginning July 1, 2011, and ending June 30, 2013, the superintendent shall use the remaining moneys to provide additional per student payments on a prorated basis according to the latest available average daily membership of each school district.

**SECTION 45. CONTINGENT TRANSFER BY BANK OF NORTH DAKOTA FOR SPECIAL EDUCATION.** If during the biennium beginning July 1, 2011, and ending June 30, 2013, the superintendent of public instruction determines that, using all available sources, there are insufficient funds with which to fully reimburse school districts for the excess costs of serving the one percent of special education students statewide who require the greatest school district expenditures in order to be provided with special education and related services, the industrial commission shall transfer from the earnings and accumulated and undivided profits of the Bank of North Dakota the amount the superintendent of public instruction certifies is necessary to provide the statutorily required level of reimbursement. The superintendent of public instruction shall file for introduction legislation requesting that the sixty-third legislative assembly return any amount transferred under this section to the Bank of North Dakota.

**SECTION 46. LEGISLATIVE MANAGEMENT STUDY - ADULT EDUCATION.** During the 2011-12 interim, the legislative management shall consider studying the provision and funding of adult education. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-third legislative assembly.

**SECTION 47. EDUCATION FUNDING AND TAXATION COMMITTEE - STUDY.**

1. The education funding and taxation committee consists of:
  - a. The following nine voting members:

- (1) The chairman of the house education committee, or the chairman's designee;
  - (2) The chairman of the house finance and taxation committee, or the chairman's designee;
  - (3) The chairman of the senate education committee, or the chairman's designee;
  - (4) The chairman of the senate finance and taxation committee, or the chairman's designee; and
  - (5) Five legislators appointed by the chairman of the legislative management; and
- b. The following five nonvoting members:
- (1) The tax commissioner or the commissioner's designee;
  - (2) The superintendent of public instruction or the superintendent's designee;
  - (3) A representative of the governor, selected by the governor; and
  - (4) Two school district business managers, appointed by the legislative management.
2. The chairman of the legislative management shall select one from among the voting members to serve as the chairman of the committee.
  3. The committee shall operate according to the statutes and procedure governing the operation of other legislative management interim committees.
  4. The committee shall examine short-term and longer-term state and local involvement in funding elementary and secondary education. The committee shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the legislative management.

**SECTION 48. REPEAL.** Section 6 of this Act and sections 15.1-18.2-01, 15.1-18.2-02, and 15.1-18.2-03 of the North Dakota Century Code are repealed.

**SECTION 49. REPEAL.** Section 15.1-27-15 of the North Dakota Century Code is repealed.

**SECTION 50. EFFECTIVE DATE.** Section 48 of this Act becomes effective on July 1, 2013."

Renumber accordingly

2011 SENATE EDUCATION

CONFERENCE COMMITTEE

SB 2150

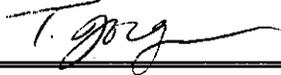
# 2011 SENATE STANDING COMMITTEE MINUTES

Senate Education Committee  
Missouri River Room, State Capitol

SB 2150, CC#1  
April 15, 2011  
16631

Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

Relating to regional education assoc., the professional dev. advisory committee, ND scholarships, supplemental teacher-effectiveness compensation plans; technology, regional education assoc., curriculum requirements, assessments, scholarships, student consultations, state aid; isolated schools.

## Minutes:

No "attached testimony."

**Committee Chairman Senator Flakoll** opened the Conference Committee meeting on SB 2150; all members present—**Senators Flakoll, Gary Lee, Heckaman; Representatives Kelsch, Monson, Mueller.**

Senator explained that the House will explain the bill as it was voted on by in their chamber.

**Representative Kelsch:** We are working off the .10000 version.

Section 1: Changes was to begin the 182 days moving that from 2011-2012 to 2012-2013

Section 2: None

Section 3: Relating to the early childhood education. Pretty much the same thing as the Senate sent over just worded a little differently.

Section 4: No changes

Section 5: No changes

Section 6: The professional development advisory committee, it reimburses those committee members for three meetings each year of the biennium. They have met six times this past biennium. It does repeal the professional development advisory committee and I will say that it seems to me that if they can't get their job done in the next 2 years perhaps there should be a different avenue taken. Perhaps by putting in a repeal of that section it will maybe speed up their work

Section 7: No change

Section 8: No change

Section 9: No change

Section 10: No change

Section 11: No change

Section 12: No change

Section 13: No change

Section 14: North Dakota Scholarship, the House amended it back to reflect a House bill that we had sent to you. The major difference is the House removed 15 units and \$500 a quarter or \$750 a semester.

Section 15: One time exception, it mirrored the language in HB 1206, we may need to clean up the language a little bit in lines 18 & 28 so it is not misinterpreted.

Section 16: No change

Section 17: No change

Section 18: Removed the writing portion for Work Keys test.; the interim committee felt that the writing component fits best in ACT.

Section 19: The change is that the school board provides at least a half day kindergarten program or pays the tuition.

Section 20: No change

Section 21: Sets up per student payments, changes to not a flat lined but is more money the 2<sup>nd</sup> year of the biennium to allow for increases in the TFFR the second year.

Section 22: No change

Section 23: No change

Section 24: No change

Section 26-26-27-28-29-30-31-32: Sets up the supplemental teacher effectiveness plan. Allows for school districts to set up plans by using \$700,000 to help them set up the plans but not to implement the program.

Section 33: Changes that were made to a current school construction loans program. Change the amount from \$8,000,000 or 80% increase to \$12,000,000 for construction costs. Other components could receive discounted interest rate 100-250 basis points for bonding.

Section 34: Change the language to what we thought was cleaner.

Section 35: Changes the federally mandated head start law that deals with the requirement that we have an early childhood education council and this amendment changes the makeup of that bill. In line 28 it includes on line 28 the commissioner's designee.

**Senator Flakoll:** Is that section, the one that was referenced in the minutes, that was suggested by Representative Hawken.

**Representative Kelsch:** That is correct.

Section 36: Part of early childhood with 35 duties and responsibilities.

Section 37: Issue in Northwesters part of the state. Defined rapidly increasing taxable evaluation school districts to increase up to the 18% and the definition means that they would have to increase 20% or more preceding taxable year.

Section 38: No change

Section 39: Relation to parents driving students to school and sets up a reimbursement.

**Senator Flakoll:** Is this in part because they need special transportation?

Representative Kelsch: Yes, that is the case and the parents do have those vehicles and since it is only for educational purposes only; the student is taken there in the morning and picked up in the afternoon.

Section 40: A new section that was added to the bill, it spends \$5,000,000 outside of the equity formula; it is a 3 tiered for districts with rapid growth. It basically says that the first tier that if you increased 3% annually and also must have, with the increase, 25 students you would receive a 30% payment of the per student payment. The second tier is if you have a 7% increase in enrollment annually and at least 25 students you would receive a 70% payment. Finally, if you had grown at least 13% or more plus 25 students you would receive a 100% payment and a district may not receive more than \$800,000 annually.

**Senator Flakoll:** That would cover about 1,247 students.

**Representative Kelsch:** Yes, at this time. The best estimate for an appropriation based on that number is \$4,497,000.

**Senator Heckaman:** Is there reasoning for the 3%, 7%, & 13%?

**Representative Kelsch:** Some distinct lines of demarcation in looking at the percentages; if it was only 7% in above it would only affect schools in the northwestern part of the state.

Section 41: New section, \$700,000 for teacher compensation plan.

Section 42: House Appropriations amendment. \$300,000 that can be used for alternative middle schools, they cannot receive more than \$15,000 annually.

Section 43: No change

Section 44: No change

Section 45: No change

Section 46: Now adds a legislative management study for adult education. School districts can now send the per student payments to the adult learning center if it's in a high school. They are paying for a full day but a lot of kids only go for 1-2 classes

Section 47: New section, committee to address property tax reform. See if possible for relief to come through the education system. Maybe an emergency clause on the entire section.

Section 48: Repeals section 6.

Section 49: No change

Section 50: Is the effective date of section 48.

The things that are missing were the all day kindergarten study, the mandatory and the compulsory age. They were omitted due to concerns that were raised about mandating that kids start school at age 6 and have to be there until age 17. The teacher compensation study was also left out due to the addition of the alternative compensation plan. The factor for the alternative middle school was left out because the House appropriation committee didn't want to start the program and be bound to the program. The North Dakota scholarship fund was removed from this bill and put into 2013. In the monitoring of the scholarship we also left out the language regarding the board of Higher Education. I think that is the majority of what we left out of the bill.

**Senator Flakoll:** I would like to acknowledge other members of the House and Senate Education committees are here. Senator Luick, Senator Schaible, Representative Rust, Representative Rohr, Representative Heller, and Representative Mock are joining us today. Is there anything else that the House conferees want to add to what Representative Kelsch had said?

**Representative Mueller:** No, I think that Representative Kelsch did a good job outlining the sections.

**Senator Flakoll:** Some of the things that have changed but are still here as place holders

- 1) The 15 credits for the scholarship starting their sophomore year.
- 2) The continuing appropriation in SB 2013, DPI budget bill
- 3) The scholarship warning from North Dakota Higher Education System
- 4) The mandatory kindergarten compulsory age until 17.
- 5) Alternative middle schools
- 6) Removal of the kindergarten study
- 7) The \$7,000,000 for deferred maintenance

**Representative Kelsch:** That section of the money issues were removed so SB 2013 has then money. The House appropriations amendments deleted \$7,000,000.

**Representative Monson:** On SB 2013 all the money is still there. The House Appropriations reshuffled the money.

**Senator Flakoll:** Is there a trigger?

**Representative Monson:** The money is still all in there

**Representative Kelsch:** The appropriated money is still all there the differed maintenance money is gone and that money was not spent by the House appropriations committee. That section was deleted from SB 2013 and unless it is in another bill appropriated for another purpose, it was deleted from 2013 and there was no discussion about that amendment itself.

**Representative Monson:** I will check on where the money went. It was out intention that the total amount of money should be the same

**Senator Flakoll:** How much money did you shift?

**Representative Monson:** \$2,500,000 is what is coming to mind right now.

**Senator Flakoll:** The other thing as far as possible changes as it left the Senate, under the merit based scholarships the grants go directly to the institute where the student is enrolled. When you passed the 5016 amendment did you take that out do you know, as it relates to the academic and technical scholarships.

**Representative Monson:** That was moved in language and will go through different funds.

**Senator Flakoll:** Do they send the funds to Jamestown College or do they send it to the student that goes to Jamestown College.

**Representative Kelsch:** It puts \$10,000,000 in there and basically says that this section provides for the technical and academic scholarships from the land and minerals trust fund. It is just in the university system office and that is it.

**Senator Flakoll:** The Federal jobs money are any of those funds being used anywhere in SB 2150.

**Representative Kelsch:** No.

**Senator Flakoll:** Do we know what it is being used for?

**Representative Monson:** We did not address that at all.

There were no further questions from the Senate or the House sides of the committee.

**Senator Flakoll:** I would guess by day's end we could agree on a third of the bill agreed to.

The committee then went into voting on the different sections of the bill.

Section 1: Hold

Section 2: Vote # 1, adopted 6-0-0

Section 3: Hold

Section 4: Vote # 2, adopted 6-0-0

Section 5: Vote # 3, adopted 6-0-0

Section 6: Hold

Section 7: Vote # 4, adopted 6-0-0

Section 8: Vote # 5, adopted 6-0-0

Section 9: Vote # 6, adopted 6-0-0

Section 10: Vote # 7, adopted 6-0-0

Section 11: Vote # 8, adopted 6-0-0

Section 12: Vote # 9, adopted 6-0-0

Section 13: Vote # 10, adopted 6-0-0

There was no further discussion and the committee was adjourned until a later date.

# 2011 SENATE STANDING COMMITTEE MINUTES

Senate Education Committee  
Missouri River Room, State Capitol

SB 2150, CC#2  
April 15, 2011  
16668

Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

Relating to regional education assoc., the professional dev. advisory committee, ND scholarships, supplemental teacher-effectiveness compensation plans; technology, regional education assoc., curriculum requirements, assessments, scholarships, student consultations, state aid; isolated schools.

## Minutes:

See "attached testimony."

**Committee Chairman Senator Flakoll** opened Conference Committee meeting #2 on SB 2150; all members present—**Senators Flakoll, Gary Lee, Heckaman; Representatives Kelsch, Monson, Mueller.**

**Senator Flakoll:** Not sure which version everyone is working off; the legal size version with both Senate and House versions or the 10000 House version. We are on Section 14. Went through the first 13 sections and agreed to 10 of them.

Sections 14 & 15 hold

Section 16 adopt (Vote 11) 6-0-0

Section 17 adopt (Vote 12) 6-0-0

Section 18 adopt (Vote 13) 6-0-0

Section 19 hold

Section 20 adopt (Vote 14) 6-0-0

Section 21 hold

Section 22 adopt (Vote 15) 6-0-0

Section 23 hold

Section 24 adopt (Vote 16) 6-0-0

Sections 25 – 32 hold

Section 33 adopt (Vote 17) 6-0-0

Section 34 adopt (Vote 18) 6-0-0

Sections 35 – 50 hold

Comments/concerns on Sections:

## Section 18:

**Senator Heckaman:** Question of why the writing was left in the ACT but removed from the WorkKeys? **Representative Kelsch:** The way the commission introduced the bill it did not have the writing section for the WorkKeys. There was a lot of discussion and debate over that issue as to whether or not it was important to assess the writing skills for all or just



important to assess the writing skills for the ACT. In the end the commission felt as though the spirit of the WorkKeys was really for those students that wouldn't necessarily take the ACT test anyway, and that they need to be assessed for the workforce so in that spirit we would leave the writing portion off. The House agreed with that theory as well.

**Section 20:**

**Representative Mueller:** Just to get up to speed; there was a .2 having to do with Alternative Middle Schools and think that was in a version of the bill. It is not in this one, correct? **Senator Flakoll:** That part is still pending coming because that .2 weighting factor associated with alternative middle schools was intended to start the next biennium—2013-2015. There was language in the Senate version that said the \$400,000 that we had in there would be paid out up to .2 level in a block grant starting the second of the upcoming biennium. **Representative Kelsch:** That still is an issue she has written down for further discussion at another date. **Senator Flakoll:** Does everyone agree that this does not prevent us from doing that—anyone disagree? **Representative Monson:** The House Appropriations did put this back in as a flat \$300,000 and took out the weighting factor. Adoption of this section does not preclude us from going back and addressing the alternative middle school and the differences we may have.

**Section 33:**

**Senator Flakoll:** What was the discussion on the House side; we did not have any of this on the Senate side; was it in testimony or outside in terms of we need to change this? **Representative Kelsch:** No, there was not testimony. This is one of those amendments that was being worked on to address a bill we had earlier in the session that was defeated. A bill that came in for a specific school in the NW part of the state that wanted a grant for \$14M for a school building. Realized there were some issues the ability for school districts to receive loans so started working on this concept. **Senator Flakoll:** Was this a policy committee amendment or did it come from the Appropriations Committee? (Policy committee amendment)

**Representative Monson:** In his notes he has that the House Education changed this and then Appropriations changed it some more. Not sure that the language is changed back again. Had a lot of discussion in House Approp about this one, but it could be 2013 that would be affected. **Representative Kelsch:** You talked about making some changes to it but didn't do anything. It is exactly the way the policy committee passed it out. **Representative Monson:** Looks the way he recalls they left it, so is okay with it. **Bob Marthaller, Assistant Superintendent, DPI:** Yes, that is accurate; as the bill went to House Approp they did discuss changes but it was not changed—left as it came from the House Education committee.

**Section 37:**

**Senator Flakoll:** Where is the genesis of this section? **Representative Kelsch:** There were concerns in the NW part of the state. Those schools are having difficulties keeping up with the rapid taxable valuation increases, and are not able to get their budgets adequately to 110 mils and that is where the amendment came from. In order to address some of the issues that they are experiencing. If you over budget and go over 110 mils that your state aid is withheld and so it is causing some issues for mostly those districts, but also others across the state that will also be affected. New concept and should have more discussion

and debate in this conference committee. **Senator Flakoll:** Are these the Rust Amendments (Yes) Just trying to align the amendments with the minutes of the meeting.

**Section 38:**

**Representative Kelsch:** Has to do with a couple of concerns that have been raised since the bill has passed both chambers and gotten into conference committee. Just some questions we need to get answered; no differences between the House and Senate. A couple of school districts have some concerns so we need to discuss it.

**Section 39:**

**Senator Flakoll:** Representative Monson where are we at with transportation money in 2013? **Representative Monson:** House Appropriations in 2013 used half that money that was in the contingency from the end of this biennium and it has triggered; \$5M and they moved \$2.5M of that forward into next biennium and left \$2.5M in the trigger contingency. **Senator Flakoll:** What is it used for in this upcoming biennium? **Representative Monson:** Think we just kind of—will have to double check on that, not sure where it ended up. **Senator Flakoll:** Is it in K-12? (Yes) Representative Kelsch do you know where the missing \$2.5M is? **Representative Kelsch:** Actually the \$2.5M is on the table; it was not appropriated. It was taken out of the grants line item—the contingency dollars—but not appropriated. The \$2.5M is on the table.

**Representative Mueller:** Understand we are going to hold this and talk more, but not real clear on what we did here. Do we have \$5M going into transportation and then have taken \$2.5M and used the trigger on it—is that how it works? **Representative Monson:** In 2013 what the House Approp did is look back and saw the \$33M for transportation back in 2007-09 and there was a solid \$43M+ in transportation for 2009-2011. There was a trigger contingency amount of \$5M and that will trigger; we took half of that (\$2.5M) and probably have it sitting on the table—not our intention but that it may have ended up there. Then in 2013 put in a solid \$48M so it keeps stepping up for the next biennium. **Representative Mueller:** Do we have an additional \$5M in the budget in 2013 now for transportation payments with the potential of another \$2.5M—and as you suggested is going to trigger? **Representative Monson:** No, there is not the potential for another trigger in SB2013 at this time. The potential for the trigger is \$2.5M this time and it is a solid \$5M next time (2011-2013) so up to \$48.5M. **Senator Flakoll:** So the base payment for the upcoming biennium will go from \$43M to \$48M; an increase of \$5M actual dollars on mileage basis. The trigger, which is a result of HB 1400 and others, has been triggered already based upon the dollars that set it off. Do I understand the Appropriations Committee cut that in half and there is \$2.5M that will at this point be intended to be sent out to the school districts based upon the current percentage that they get? But the remaining \$2.5M is out there somewhere? **Representative Kelsch:** Well, it has not been appropriated. It was taken out but not reappropriated. The Appropriations Committee believed they had moved it back into the Foundation Aid Payments, however, all that is in the bill is that they removed it so that \$2.5M is not appropriated. In her mind, because it was a trigger, that \$2.5M now probably just went into the general fund the way they removed it. **Representative Monson:** That is still to be determined in SB2013; guess at the time we were working on 2013 the numbers we were using and provided by Legislative Council seemed to indicate to us that it had ended up going into the State Aid line item for Foundation Aid payments to the next biennium. That is something we are still not real clear

on. **Representative Kelsch:** That was one of the issues; she went up because she didn't feel as though the numbers were adding up correctly. After questioning Legislative Council did come back to her with a response that the \$2.5M was not appropriated into the State Aid Grants line to the Foundation Aid formula, and so the \$2.5M was removed from the contingent appropriation but not appropriated to go back into the Foundation Aid line. **Senator Flakoll:** We'll hold the transportation item.

**Section 44:**

**Senator Flakoll:** Question is should we change that from session law, because it seems to sometimes get missed (contingency money) and should we have that as an on-going practice. It was missed in the 1997 session which resulted in a fight over ~\$12M, it was left out of SB 2150 as introduced through no malice intent—was overlooked. That would be his question to the committee.

**Representative Kelsch:** This also goes to the transportation grant lines item, and you did hold that. It becomes very confusing for people that are not familiar with the differences in an education bill that's introduced and they don't understand the difference between session law and statute. Because every time we have the grants line item for transportation and we increase the rates for transportation, you don't see from what rate they were increased from because it is session law. It starts over and is confusing for a lot of people, so perhaps that would be a cleaner way to do it. That question came up by several individuals saying this is new language; nothing is overstruck. Becomes more complicated for some people to understand. **Senator Flakoll:** While people think on this we'll hold the section. **Representative Mueller:** Agree; think it was the 2007 session it was forgotten, not 1997. Had a laundry list of contingency plans and he's not so sure that was a good idea, but did do it. As we contemplate Section 44 think it would be well for us to make sure we don't have any other places for money to go other than back into ADM. **Senator Flakoll:** In 2007 took some of the contingency money and did some things that we all agreed we wanted to do with it that otherwise we wouldn't have been able to do. He remembers a few significant fights in the 1999 session because it was his first session.

**Section 45:**

**Representative Kelsch:** Think the same applies to this section to hold. We put that in every session and that would be one she would hate to have left out—the transfer for special education contracts. Think it needs to be held as well. **Senator Flakoll:** Will hold that to think about it. Don't think it was anybody trying to short anybody on those in Section 45 (Special Ed contracts).

**Section 47:**

**Senator Flakoll:** Amendments pending; Senate is looking for a little more balance there, maybe—or guaranteed balance with the subsection 5. Think the emergency clause has been discussed on that. Think there could be amendments to ensure that the legislators who serve on that committee that the appropriate compensation be taken care of.

**Representative Monson:** Has a report on the deferred maintenance; language was dropped by the Senate Appropriations from this bill before it moved to the House side. That language was then put into SB 2013 and that is in another conference committee. House Appropriations dropped that section completely. It is contingency funding and so is

no real dollars savings and no real dollars able to be used. Could call it limbo money (supposes). So no solid dollars and no effect on this bill at this time. **Senator Flakoll:** Think the only correction he would make is that we agreed to take the language out of 2150 when it was moved to Appropriations and they slid it into 2013 because they had all the language with hard dollars in 2013. As he understands it went to the House and was removed by House Appropriation, right? **Representative Monson:** House Appropriations dropped that whole section completely. **Senator Flakoll:** Do we know where any Federal Jobs money language might be? Have we heard any more on that? The \$21.5 million. **Representative Monson:** Stimulus money? We did not talk about that in House Approps to any extent. Doesn't know where it might be.

# 2011 SENATE STANDING COMMITTEE MINUTES

Senate Education Committee  
Missouri River Room, State Capitol

SB 2150, CC#3  
April 15, 2011  
16679

Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

Relating to regional education assoc., the professional dev. advisory committee, ND scholarships, supplemental teacher-effectiveness compensation plans; technology, regional education assoc., curriculum requirements, assessments, scholarships, student consultations, state aid; isolated schools.

## Minutes:

See "attached testimony."

**Committee Chairman Senator Flakoll** opened the Conference Committee meeting on SB 2150; all members present—**Senators Flakoll, Gary Lee, Heckaman; Representatives Kelsch, Monson, Mueller.**

**Chairman Flakoll** – We have approved 18 sections out the 50 which is approximately 36% of the bill.

**Chairman Flakoll** – If the committee members could turn to section 43. Now there were no differences between the 2 chambers but this is one of those instances where we may wish to consider changes as we look at the final product.

**Representative Kelsch** – This was something that Mr. Jerry Coleman had brought to my attention but we had not finalized any language that could be utilized and so we left that section alone knowing that this conference committee probably would need to address that and make the technical corrections.

**Jerry Coleman, Department of Public Instruction** – Maybe I could explain a little bit about how this particular provision has been implemented in the past. We have been using it for a number of bienniums and its purpose is to focus attention on increasing teacher salaries. I'm not sure how the current lineup ended up of certain exclusions but I guess we will go back and describe how it works. It compares the increase in per people aid from one biennium to the next so it's some kind of a projection, we'll know at the current biennium per people expenditures and then we project what the next biennium is and 70% of that difference is defined as new money and that is to be dedicated to increasing teacher salaries and compensation or hiring new teachers. Because of a lot of the changes that were made in the formula last time there was some adjustments made so that we were comparing apples to apples and I think that was the intent with the way this amendment is worded now is to do that but it doesn't quite get that done in my opinion. I was working with Legislative Council staff on it to answer a few questions there, we also discovered that we need to, in addition to the per people payment also need to consider those supplemental

operations grants that went to school districts and those grants were given to school districts as a makeup in their foundation aid payment because of the way we handled the federal stimulus dollars. We put that money into the formula and because of those roles we funded at a certain level, to the 2009 level, so in addition to that there was \$16 million in supplemental operations grants and that's something we should consider in here also. The objective here would be to compare apples to apples and there might be a few adjustments that you may want to make but as the original design was it excluded equity payments from that consideration of new money to school districts and also contingent distributions. We will have a little bit of a difference in balance between the 2 because of the way we are handling power school. There was a factor in the current biennium of .002 and it is going to a .006. The reason for the big jump is that we are picking up some of the costs that ITD had in their budget before and now it's all into the school aid budgets. I do have some suggested language I could hand out.

**Chairman Flakoll** – The power school has somewhat morphed from what is the technology waiting factor right? The technology waiting factor plus a few things more and the waiting factor has gone up. All the things that use to be that are in the current biennium for technology would be covered under the power schools?

**Jerry Coleman, Department of Public Instruction** – The .006 factor? That is to pick up the entire cost.

**Representative Monson** – Would you say that once more? .006 factor is to cover?

**Chairman Flakoll** – The new terminology for the most part, the technology factor was used for some power school in the current biennium.

**Representative Mueller** – I guess I'm interested in your suggestions here as to what we should and shouldn't do in regard to what's included in the 70%.

**Jerry Coleman, Department of Public Instruction** – I'll just hand these out. Attachment #2.

**Representative Mueller** – We don't reference cross border attendance monies, we aren't going to reference the jobs bill money that we talked about earlier, home based education programs, monitoring monies. Where would they be in this new scheme of things?

**Jerry Coleman, Department of Public Instruction** – The home education monitoring and the cross border attendance, that's in both biennium's. The deferred maintenance, the federal education jobs money, mill levy reduction grants money, those are other grant lines. They are not per student payments.

**Representative Kelsch** – It does seem to be a cleaner way to go about doing it rather than listing all of the exclusions. It does seem to make more sense this way.

**Chairman Flakoll** – In committee we would probably be well served to allow the folks that are more directly involved in compensation negotiations a little time to digest this.

**Representative Kelsch** – I think they may have seen this before. I think that when the bill had already come out of the Education Policy Committee this language began circulating as a potential because I think Jerry had kind of worked on it a little bit more.

**Chairman Flakoll** – The other considerations here is in the spirit of getting out of here timely do we want to have this drafted at least in its current form by Anita so we could act on it.

**Representative Kelsch** – It's my understanding that she has seen this. Has she seen this?

**Jerry Coleman, Department of Public Instruction** – Probably not.

**Representative Kelsch** – My biggest reason for this is that we need to make sure that we don't make this so cumbersome and complicated even for Jerry to explain and I think as we pile on and pile on it seems as though it becomes a much more convoluted and complicated process. I think that this is cleaner and he knows what it is and he knows what is not because if it isn't here, if it's not in this language it's not there.

**Chairman Flakoll** – Representative Kelsch do you want to get a hold of Anita on that and draft those?

**Representative Kelsch** – I will get a hold of Anita Thomas from Legislative Council and have her draft it.

**Chairman Flakoll** – Representative Monson are you able to kind of just walk us through, Representative Kelsch talked about where the bill is today but could you maybe walk us through some of the changes that the House Appropriations Committee made to the policy committee bill? The school day, did you guys do anything with that as far as moving the number of days required?

**Representative Monson** – We delayed the implementation of the extra days until 2012-13.

**Representative Kelsch** – We had done that in the Policy Committee and then the \$3.6 million was removed from the foundation aid.

**Chairman Flakoll** – Some of the scholarship language...

**Representative Monson** – That was our Appropriations Committee that did that and that was just basically a technical correction. You are talking about the \$10 million, where it comes from?

**Chairman Flakoll** – Yes

**Representative Monson** – That's just to, and honestly we still don't know exactly the outcome of HB 1451 I believe, but because of HB 1451 there could be some name changes so this is just a technical correction if HB 1451 comes out with some different names of different funds.

**Chairman Flakoll** – I think on the Senate side they have called the next of kin on...

**Representative Monson** – I have been hearing that rumor for the last day or so. That one is simply, no change in money it's just what fund it comes out of.

**Chairman Flakoll** – And that was really the only change between the 2 on the scholarship part?

**Representative Monson** – That is all I recall, yes.

**Chairman Flakoll** – And then the alternative middle school grants and timing and those things, change in waiting factor, those kinds of things?

**Representative Monson** – The factor is not in there and actually the money is not in SB 2013 at this time. SB 2013 has to be reconciled with this one. House Appropriations did put in a flat line item of \$300,000, no factor with a maximum of \$15,000 per school available for school districts that do offer alternative middle school and the language is in this one, the money is not yet in SB 2013 but we are aware that it needs to go back in.

**Chairman Flakoll** - Is that something we will have to sort out here too?

**Representative Monson** – Yes

**Chairman Flakoll** – I'm not so sure that the Senate is prepared to start that in August, as one example as something that we may want to consider as we move forward here. I'm guessing the per student payments were left untouched?

**Representative Kelsch** - Yes, they were and knowing that we had put them in based on where the money was during the policy committee meeting and then there were no changes knowing that's usually one of the last things we make a determination on before we pass this bill out.

**Chairman Flakoll** – Do we really know exactly how many total new dollars are in the House version compared to the Senate version?

**Representative Monson** – We do not exactly.

**Chairman Flakoll** – I think the Senate was at about \$1.3 million plus the \$7 million in deferred maintenance.

**Representative Kelsch** – The House looks like they are at about \$93.6 million.

**Representative Monson** – \$93.6 million is our number that we were given.

**Chairman Flakoll** – Does that include transportation?

**Representative Monson** – I believe it includes everything.



**Chairman Flakoll** – That would not include the \$2.5 million in transportation that was...

**Representative Monson** – The \$2.5 million was probably not in there because since that number came out on our sheet Sheila has recalculated and it looks like that maybe was not in there.

**Chairman Flakoll** – The Appropriations Committee made a few modifications in the supplemental feature. Is that correct?

**Representative Monson** – We made a few minor changes there. There is \$1 million in there right now.

**Chairman Flakoll** – That is \$300,000 for the Department of Public Instruction and \$700,000 to pay the costs of expenses?

**Representative Monson** – Correct

**Representative Kelsch** – For the development of a plan.

**Chairman Flakoll** – Rapid enrollment, did the House Appropriations Committee make any changes to the Policy Committee's recommendations?

**Representative Monson** – There is \$5 million in that line item in SB 2013.

**Chairman Flakoll** – How much was in it for rapid enrollment as it came out of the Policy Committee?

**Representative Kelsch** – There was \$5 million as it came out of the Policy Committee that we were told the \$5 million was to have been taken care of and apparently it did get taken care of. It got taken out of the \$7.5 million reduction and the increase of foundation aid payments.

**Chairman Flakoll** – Anything else on rapid enrollment?

**Representative Monson** – No

**Chairman Flakoll** – Anything else committee?

**Chairman Flakoll** closed discussion on SB 2150.

# 2011 SENATE STANDING COMMITTEE MINUTES

Senate Education Committee  
Missouri River Room, State Capitol

SB 2150, CC#4  
April 16, 2011  
16690

Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

Relating to regional education assoc., the professional dev. advisory committee, ND scholarships, supplemental teacher-effectiveness compensation plans; technology, regional education assoc., curriculum requirements, assessments, scholarships, student consultations, state aid; isolated schools.

## Minutes:

No "attached testimony."

**Committee Chairman Senator Flakoll** opened the Conference Committee meeting on SB 2150; all members present—**Senators Gary Lee, Heckaman; Representatives Kelsch, Monson, Mueller.**

**Chairman Flakoll** opened discussion on SB 2150.

**Chairman Flakoll** – The amendment number 07041 has been handed out as it relates to the education funding and Taxation Committee study.

**Representative Kelsch** – For discussion purposes I will move the amendment 07041.

Seconded by **Senator Lee.**

**Chairman Flakoll** – I guess the points I would bring out would be essentially it takes the language from the 1000 version where there are 5 members selected by the Legislative Council and amends it down to 4 people that are specified in subsections...

**Representative Kelsch** – We have to go off of the 7000 version because when you go back from a conference committee and go back to the original you go back to the 7000 version which is the original version.

**Chairman Flakoll** – These again were House amendments that did not exist in the bill as it left the Senate. Really, the only changes again are in subsections 1-4 inclusive.

**Representative Mueller** – I think we had discussions on this one, having to do with minority party additions, are they in this new version?

**Representative Kelsch** – 2 and 4 would be minority.

**Chairman Flakoll** – Ask the clerk to take the roll on the adoption of the 7041 amendments.  
(6-0-0)

**Representative Kelsch** – I have the amendment that was referred to yesterday by Mr. Jerry Coleman from DPI. Amendment 07042, this was related to the conversation that we had with Jerry yesterday, he passed out the language that he discussed, this is in regards to the 70% language and how that is calculated. I think that his explanation made sense so that is what this amendment is to clean up that section of code. I would move the amendments 07042.

Seconded by **Representative Mueller**.

**Representative Monson** – These fit into what section in this version?

**Representative Mueller** – 43

**Senator Heckaman** – What was our discussion on the reason federal jobs fund money is not, is it referred to in here?

**Representative Kelsch** – The way I understand what happened was, the Senate Education Committee had kind of place holder language in SB 2150 and when the Senate Appropriations Committee removed that language and put it into SB 2013 they also removed that jobs language that I think you had put some verbiage in there and then when the SB 2013, now I think all that's in SB 2013 is just the line item and I don't think it has any reference to the jobs. I think you had a little paragraph or something in there, I don't remember.

**Chairman Flakoll** – Under subsection 1, if we look at the 3 line, the reference is per student payments and the federal jobs money would not be deemed per student payments. That is why that would be excluded from consideration in any session.

**Representative Mueller** – Along those lines I'm quite interested in recognizing it, it doesn't apply here necessarily but where is that and when are we going to talk about that?

**Representative Kelsch** – I do not. The line item is in SB 2013, we don't have any language in here referencing it. I don't know if we will feel that it is necessary to put something in here or if something will be added into SB 2013.

**Senator Heckaman** – I polled the audience on that issue and the audience seems to think that it is the Governor's authority that will appropriate that money out of there.

**Chairman Flakoll** – Any other discussion on the 42 amendment? Ask the clerk to take the roll on the adoption of the Kelsch amendment. (6-0-0)

**Chairman Flakoll** – I will be handing out a couple sets of amendments relating to the same topic. It would be the 7038 amendment and 7039 amendment. The amendments deal with the academic and technical scholarship program. My intent would be to let the committee have a little time to review them prior to our 11:00am conference committee meeting and then we will go from there. I don't think we want to adopt anything at this time and I think there is something that may need to be further clarified.

**Representative Kelsch** – I have a couple of concerns on the 38 version just glancing at it, with a little bit of the language. On the 07038 subsection 2 a and b, I'm not exactly sure what that language means because I thought the intent of the House was that at any time a student fell below the 2.75 that the student would receive a warning. We didn't have the

warning language in there, you had it in your bill and we did not put it in there but in all of our discussions that was our intent with the second chance amendment is that that second chance could occur at any time during a student's time on the campus. I'm unclear as to what a and b mean in subsection 2.

**Representative Kelsch** – We've got 38 and 39 and they would need to be, they are tandem amendments right? So you need both of them? It's not just one or the other? Because the 039 is actually the one time exception and then the 038 is how the scholarship is distributed and what the criteria is for distribution. So you need both amendments but I'm really unclear on subsection 2 what that means. I suppose potentially you could say at the conclusion of the semester or of any semester the State Board of Higher Education determines that the student was unable to maintain a GPA, saying they may not be able to continue to be eligible for a scholarship. That may fix it.

**Chairman Flakoll** – That is kind of my intent that if we would adopt the principal that the House had as far as any semester or any quarter, not just for their first year. That they could have a second chance at any point during that continuum realizing that the further you get in to it the chances of you dropping below the 2.75 go down as you get further along in school. The aspect of your first year, learning how to study on your own, the social aspect of living on your own, those kinds of things.

**Representative Mueller** – I would be interested in knowing what the intent might be on the part of all of us here regarding what Representative Kelsch is talking about. I think it was the House's intent that you'd have a second chance at any place along the continuum. As I read it you get a second chance your first year but not after that.

**Chairman Flakoll** – Maybe I should walk through what I was looking for in a codified amendment that had some of the components of the House and some of the Senate. The 2.75 remains, it is our intent to adopt any chance at any time portion that it wouldn't have to be just restricted to their first year, that they could get a onetime exception. The Board of Higher Education is responsible for monitoring and sending out a warning letter which would be the Senate portion of it. That there is the requirement of eligibility of 15 units starting their second year, which would be the Senate version of it as far as full time status. That we adopt the House portion that dealt with \$500 per quarter language so it would be \$750 per semester or \$500 per quarter. Representative Kelsch is that the essence of?

**Representative Kelsch** – That is the essence of 038 and to answer the other question, the onetime exception is 039 and that may be reworded in a couple of places but in particular it says, Senator Flakoll added in, the clarification language on 039. We had it written that the student was no longer eligible to receive any North Dakota scholarship. We believed that included the academic or the career and technical education scholarships so he's clarified that a little bit by putting those actual words in there because we didn't want anyone to think that because they didn't meet this criteria that they still weren't eligible for a North Dakota needs scholarship. That clarification is really the only difference and this onetime exception on 039 and I don't have a problem with 039 because I think that one looks correct, it's just got the technical language in it. The concern that I have is then 038 is the distribution of the monies and we had put the quarters in because that's what we were asked for because that takes in Rasmussen College so we needed to delineate that you could be attending a school that has quarters. So that's done, and then Senator Flakoll wanted that warning letter to go out to the students. That's where the issue is coming in for me because if you

truly have a second chance provision it would not necessarily be just the first year. So that warning language is probably not a bad idea. I also agree that it's up to the state board to monitor those sections, we knew they couldn't receive more than the \$6,000, the State Board of Higher Education, that's always the best way to have it, that it's forwarded directly to the institution instead of the student. So some of it is just clarification and of course the 12 credits during the first 2 semesters and then the 15 credits during the next semester we did have some discussion with that and left that part out, but really on the 038 the only concern that I have is to a and b.

**Representative Mueller** – The only other part of that I think you addressed that too has to do with the enrolled full time. I don't see in the amendments where we move from 12 to 15 but I think that is an important distinction and one we should all have common ground on. I am not sure that was the intent of the House we had some discussions about holding it at 12 hours vs. the 15.

**Chairman Flakoll** – I think part of the reason why the Senate had an interest in that goes back to getting students graduating in a timely fashion, pushing them as much as possible, I think it's unfortunate in some respect that they only have to take 12 units per term because that doesn't put you on a very rigorous path to graduate in a very timely fashion. We talked about graduating in a 4 year or some other kind of timely fashion. In my correspondence with the system office I think there are approximately 33% of the students that take between 12 and 15 units. So again if we push them along in a little more brisk fashion we achieve one of our legislative objectives of getting students in, moving them along briskly and we are paying them \$6,000 which is a pretty good sum of money to do that.

**Representative Mueller** – I certainly agree with that and I don't think I would stop the bus here on this one but in discussion in the House \$6,000 is a wonderful award for getting your work done but I think the reality anymore is that it costs a whole bunch more than what we are contributing to the cause in regard to individual students and so I think at least some discussion revolved around the fact that there may be 1 or 2 or more than that part time jobs which doesn't lend itself well to 15 credits vs. 12. I'm not overly hung up on that but certainly providing the time that students need to fulfill other obligations, car payment, or whatever it may be, is also a factor here.

**Chairman Flakoll** – I have a variety of Higher Education contact students and I think often times work is more so to allow them to participate in a lifestyle rather than to pay for their academic costs when you look at some of the 2 year schools as an example that are mid \$3,000 range for tuition, certainly that is a very reasonable amount and we are paying a significant percentage with this scholarship alone.

**Chairman Flakoll** closed discussion on SB 2150.

# 2011 SENATE STANDING COMMITTEE MINUTES

Senate Education Committee  
Missouri River Room, State Capitol

SB 2150, CC#5  
April 16, 2011  
16694

Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

Relating to regional education assoc., the professional dev. advisory committee, ND scholarships, supplemental teacher-effectiveness compensation plans; technology, regional education assoc., curriculum requirements, assessments, scholarships, student consultations, state aid; isolated schools.

## Minutes:

No "attached testimony."

**Committee Chairman Senator Flakoll** opened the Conference Committee meeting on SB 2150; all members present—**Senators Flakoll, Gary Lee, Heckaman; Representatives Kelsch, Monson, Mueller.**

## Discussion

### Members discuss amendment 07042.

**Representative Kelsch** moves to reconsider action where they passed 07042 for the purpose of an additional amendment.

**Representative Monson** seconded

Roll call vote #21 – 6 yes, 0 no  
Motion passes

## Discussion

**Representative Kelsch** says it came to their attention on further review of the amendment that in Subsection B additional language needed to be added. The reason being, last session there were supplemental payments where they reduced per student payments in order to account for Federal dollars and they need to have that language specifically in there for this year biennium.

**Representative Kelsch** moves the amendment to 07042 with those changes  
**Representative Monson** seconded

Roll call vote #22 – 6 yes, 0 no  
Motion passes

**Committee discusses amendment 07038**

Representative Kelsch explains the amendment saying that A and B are needed at all and that #3 picks it up.

**Representative Kelsch** moves to amend 07038 to read, move subsection 2, A and B.  
**Representative Monson** seconded

Roll call vote #23 – 6 yes, 0 no  
Motion passes

**Committee discusses amendment 07039**

**Representative Kelsch** moves the amendment 07039  
**Representative Heckaman** seconded

Roll call vote #24 – 6 yes, 0 no  
Motion passes

**Committee discussion**

The committee asks what they will discuss at the next meeting. Representative Mueller says he would appreciate some help in understanding where the 21,500 is and would like someone to track that down. Representative Monson said it is his recollection that they were told they would have nothing to do with that. Representative Kelsch says the line item is in 2013 which just gives them the authority to distribute the monies. Representative Mueller still would like to know what they do with Foundation Aid and other things. Senator Flakoll says it will be outside of the funding formula.

Meeting adjourned

# 2011 SENATE STANDING COMMITTEE MINUTES

**Senate Education Committee**  
Missouri River Room, State Capitol

SB 2150, CC#6  
April 18, 2011  
16711

Conference Committee

Committee Clerk Signature



## **Explanation or reason for introduction of bill/resolution:**

Relating to regional education assoc., the professional dev. advisory committee, ND scholarships, supplemental teacher-effectiveness compensation plans; technology, regional education assoc., curriculum requirements, assessments, scholarships, student consultations, state aid; isolated schools.

## **Minutes:**

No "attached testimony."

**Committee Chairman Senator Freborg** opened the Conference Committee meeting on SB 2150; all members present—**Senators Flakoll, Gary Lee, Heckaman; Representatives Kelsch, Monson, Mueller.**

**Senator Flakoll** moves to adopt Section 50, relating to the effective date of 2013;  
**Representative Kelsch** seconded

Roll call vote #25 – 6 yes, 0 no; Motion passes

**Senator Flakoll** moves for adoption of Section 48, relating to re-peeler language in Section 6 and others detailed thereafter.

**Representative Kelsch** seconded

Roll call vote #26 – 6 yes, 0 no; Motion passes

**Senator Flakoll** moves to adopt Section 6

**Representative Kelsch** seconded

Roll call vote #27 – 6 yes, 0 no; Motion passes

**Representative Kelsch** moves to adopt Section 38

**Senator Flakoll** seconded

## **Discussion**

Senator Heckaman says she has been getting some emails on this one. She is unsure if everything in this Section assists those schools that are identified.

Representative Kelsch addresses those emails and concerns and says the language has been out there for most of the year. She says some of the school districts think they are losing it immediately but it is a five year process. She doesn't think it fits well into this



Section. Senator Heckaman says she can go for adoption on this and if needed it can be called back. Representative Mueller asks if small schools are addressed in another Section of the bill. Senator Flakoll thinks the biggest issues to the concerned districts is not the language but declining enrollments. Representative Mueller said it makes sense to him that over a period of five years they make other arrangements.

Roll call vote #28 – 6 yes, 0 no; Motion passes

**Representative Kelsch** moves the adoption Section 49  
**Representative Mueller** seconded

Roll call vote #29 – 6 yes, 0 no; Motion passes

#### **Committee discussion on Section 39**

Senator Monson wants to make it clear that it is just new language based on the formula for sending out the transportation payments, it has nothing to do with the contingency transportation payments. Senator Flakoll says they are still sending out investigators to find out where the 2.5 million dollars went that was cannibalized out of 2013. Representative Monson said he is unsure of where it is and when they were discussing it in House Appropriations it appeared they needed to move that move to keep the per people payments for the next biennium at the same level as the Governor had in his budget. Representative Mueller is also unsure of where the money went and in what portions. Representative Monson replies that 2.5 of the five is still exactly the way it was in the contingency to go out at the end of this biennium. He said the other 2.5 was moved into the General Fund to use in the next biennium for some other program. Representative Kelsch said it was her understanding the 2.5 million was removed from the contingency line item but it was not appropriated anywhere. Senator Flakoll says it may be sitting next to the 10 million dollars in contingency funds that are taken out of the traditional contingency funds and maybe if we find one we'll find the other. Senator Freborg suggests they take this up later when they have more information on the lost money.

#### **Committee discussion on Section 42**

Senator Flakoll says there is an amendment coming. Senator Freborg says that anyone considering amendments have the amendment drafted even if you don't end up offering the amendment to save time.

#### **Committee discussion on Section 46**

**Representative Kelsch** moves to adopt Section 46  
**Representative Heckaman** seconded  
Roll call vote #30 – 6 yes, 0 no  
Motion passes

**Committee adjourned**

# 2011 SENATE STANDING COMMITTEE MINUTES

Senate Education Committee  
Missouri River Room, State Capitol

SB 2150, CC#7  
April 18, 2011  
16731

Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

Relating to regional education assoc., the professional dev. advisory committee, ND scholarships, supplemental teacher-effectiveness compensation plans; technology, regional education assoc., curriculum requirements, assessments, scholarships, student consultations, state aid; isolated schools.

## Minutes:

No "attached testimony."

**Committee Chairman Senator Freborg** opened the Conference Committee meeting on SB 2150; all members present—**Senators Flakoll, Heckaman; Representatives Kelsch, Monson, Mueller.**

**Senator Flakoll** moved to adopt amendments 11.0208.07044. **Senator Heckaman** seconded the motion. Roll call vote #31: 6-0-0. **Amendment adopted.**

**Senator Flakoll** moved the adoption of Section #19. **Representative Kelsch** seconded the motion.

**Representative Mueller** thought we may need a little clean up. He asked if we should pass it and then fix it or change it and then pass it all. **Senator Freborg** said that the earlier discussion was that if they didn't offer kindergarten in their school and sends them to a neighboring school they are required to pay for half day kindergarten and the question is what if they have full day kindergarten. If there are only a few students it is well worth it to pay for full day kindergarten in another school instead of supporting the entire kindergarten program. **Representative Mueller** said that was correct but the problem is that if we only require a half a day there might be some confusion on what they have to pay for.

It was decided that they would pass section #19 and then look at amendments.

Roll call vote #32: 6-0-0. **Motion passed.**

Section 35 will be held for Representative Monson.

**Representative Monson** moved to adopt section #40. **Representative Mueller** seconded.

**Senator Heckaman** asked someone to review what the grants could be used for. **Representative Kelsch** explained that the money could be used to help school districts

hire new teachers or used for cubical but there is no restriction as to what it could be used for. **Senator Heckaman** asked how many school districts this would apply to. **Representative Kelsch** replied that at the present time it would be twelve school districts that the five million would be distributed to. **Representative Monson** added that the number of school districts could vary. It can extend beyond the western districts for example West Fargo which is rapidly growing. **Representative Mueller** explained the levels and the number of students required.

Discussion followed on equity funds and the needs of schools that are growing very quickly. There were some concerns with section #35.

Roll call vote #33: 2-4-0. **Motion failed.**

**Representative Kelsch** moved for approval of section #35. **Representative Monson** seconded the motion. Roll call vote #34: 6-0-0. **Motion passed.**

**Representative Monson** moved to approve section #36. **Representative Mueller** seconded the motion. Roll call vote #35: 6-0-0. **Motion passed.**

**Senator Flakoll** said that this relates to contingency money as found in section #44 of SB 2150. The amendments would put this in permanent statues. Moved to adopt amendments 11.0208-07045. **Senator Heckaman** seconded the motion. Roll call vote #36: 6-0-0. **Motion passed.**

**Representative Kelsch** moved to approve section #39; **Senator Flakoll** seconded the motion.

**Representative Kelsch** said the only difference between the House and the Senate version was that the House added in language to deal with a couple of students that for educational purposes have to be transported from their school to the Anne Carlson School. It is to pay for two trips per day due to their IEP.

Roll call vote #37: 6-0-0. **Motion passed.**

Discussion followed on section #37. The concern seems to be in sub-section #6. It was decided to wait on this section.

**Senator Flakoll** listed other things of concern that aren't on the right side column: deferred maintenance, Federal Jobs money, mandatory kindergarten, mandatory age of attendance until seventeen or graduated, ongoing appropriations for scholarships with consideration of the land & mineral trust fund, and the all day kindergarten impact study. He wanted to remind the committee to keep these on the radar screen.

Meeting adjourned.

# 2011 SENATE STANDING COMMITTEE MINUTES

Senate Education Committee  
Missouri River Room, State Capitol

SB 2150, CC#8  
April 18, 2011  
16743

Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

Relating to regional education assoc., the professional dev. advisory committee, ND scholarships, supplemental teacher-effectiveness compensation plans; technology, regional education assoc., curriculum requirements, assessments, scholarships, student consultations, state aid; isolated schools.

## Minutes:

See "attached testimony."

**Committee Chairman Senator Freborg** opened Conference Committee meeting #2 on SB 2150; all members present—**Senators Flakoll, Heckaman; Representatives Kelsch, Monson, Mueller.**

**Senator Flakoll:** Section 42 amendments; two sets related to this section. 11.0208.07046 is a combination of House, Senate and other amendments relating to Alternative Middle Schools. Senate had it at a level of \$400,000 and House had it at \$300,000; this has \$300,000 from grants for the program. In talking to various proponents of this and listening to testimony on the senate bill that we rolled into 2150, they really would not be ready to start a program until the second year of the biennium. We've delayed implementation until the second year of the biennium (2012-2013 school year) pertains to grades 6-8 inclusive and the House version had they can pay up to \$15,000 per district. It is a little tough because he couldn't recognize a reference point as far as how the dollars are metered out so said on a per student basis up to a .15 weighting factor. As it left the Senate it had a .20 weighting factor, but this amendment has a .15 weighting factor. If there aren't enough dollars in the \$300,000 appropriated, each district will get the money on a prorated basis up to that .15 weighting factor with a .07046 amendments. Move the amendments; second by **Senator Heckaman.**

**Representative Monson:** So when the \$300,000 is gone, and the very largest schools are ready—do you have any kind of numbers like how many schools could actually participate in this? **Senator Flakoll:** No, don't know the extent of the adoption; could derive it based upon how many at the full .15 it would use up. Again that could prorated down based upon actual participation. Think it was felt that a block grant is the best way to do this because it really locks us in at a number that is definable. We don't have an open ended number where you would need a backstop to fill up any shortfall we would have. At full bore would be about 500 students.

**Representative Mueller:** He has not seen this kind of thing where you establish a program and at the end of the period you will find out what you will be reimbursed. That

may be something we do elsewhere, but the proration arrangement (as he reads it) schools are going into the alternative middle school program really not have any idea of what they are going to be receiving in terms of funding for the program until they have been in it for a year. **Senator Flakoll:** Think we have done that with some other situations where we weren't sure of the exact number so we assigned a block grant for something; from a state standpoint we need to guarantee that it does not exceed that threshold. A school district may wish to implement it starting with the 2013-2015 biennium if they choose, and that would be my next amendment. **Representative Mueller:** Thinks he understands the attempt here, but not so sure it is a big improvement over just a grant kind of system that has \$X in it and it can't exceed \$15,000 and when it is gone, it's gone. Or can prorate it out based on the plans that you get in to run the middle school. That would be a little more definitive than what we are talking about here. **Senator Flakoll:** With a cap of \$15,000 you could have a program that is only partially funded. If there is a district with 75 students in there, no guarantee to receive as much as under this recommendation. Advantage as you move toward—the next amendment will put into place the .15 weighting factor. **Representative Mueller:** Believe that is true; the point he would make is the school district really doesn't know what they are going to end up with under the amendment because of the proration issue, whereas the one in the bill now says \$15,000.

**Representative Monson:** Agree with Representative Mueller; our version had the \$15,000 but he likes the .15 weighting factor because that kind of says how much it is per student. Does get out on a factor, but maybe need to do a blend between the two. Leaning toward Representative Mueller's thinking. **Representative Kelsch:** Knows after the House Appropriations committee had put that amendment on, there were some school districts that were very interested in this that became concerned that it was no longer a factor but could only receive up to \$15,000 and wondered if it was even worth it to begin a program. **Senator Flakoll:** His concern with the bill as it came here, you could have a district that is capped out at \$15,000 and only ½ the amount that would normally be paid out on the weighting factor is available. On the other hand, could have \$200,000 not used because no one else participated in the program. Thinks if it is a block grant can ensure the dollars are going out there and being used throughout the various districts that do participate in the program. We are looking at one year versus two years as it came to this committee.

**Representative Monson:** Using the factor is more equitable; otherwise could have a school with 75 kids in the program and they are going to be capped at \$15,000 and have another one with 25 kids that is capped at \$15,000. In that respect like the factor. Think it is more equitable. Curious to see how far it would actually go. Fear would be that one or two large schools would use it up first and some smaller ones not able to use the program. Of course, doesn't start until the second year anyway.

**Representative Kelsch:** Did read the minutes and went back to look. Don't remember this being asked about the original Alternative Middle School bill—was there any indication of what school districts would be offering for alternative middle school? Number of schools or number of students in the program. Jerry Coleman, DPI, stated that the cost to continue probably wouldn't be more than \$1M; and only basing those numbers on the alternative high school program and what is being spent for that. **Senator Flakoll:** A couple of schools did testify including Beulah, West Fargo, and Fargo so right there you have 25% of the state's enrollment that had interest in that. Think one of the reasons for a block grant

with a weighting factor—can start establishing a set of numbers that can be used on a go forward basis so that Jerry Coleman can get a more accurate number as he moves into the future. Some examples of this concept—the REA grants, teacher support system, the needs based scholarships, etc.

**Representative Mueller:** There is a need to start a program; rough calculations would be maybe 75 students; that is six schools and fifteen for \$300,000 (500 students)

**Representative Monson:** Can we see Senator Flakoll's next amendment? Going forward what is your vision for moving into the next biennium? **Senator Flakoll:** .07047 puts in place the .15 weighting factor for the 2013-2015 biennium. **Representative Monson:** Your intention then would be not to cap it at \$300,000; it would become part of the formula and go out as state aid with a .15 factor (Yes)

**Representative Kelsch:** Would there ever be a consideration to lowering the factor currently in law of .25 for alternative high school? If starting alternative middle school at .15, the alternative high school is at .25; potentially going to .20 on the high school? Only reason to bring it up is it seems to her if we catch these kids in 6-7-8, which is the purpose of an alternative middle school, you should (potentially) need less services on the alternative high school end. You would have caught them as they were falling through the cracks and potential costs savings there. Just a topic for conversation. **Senator Flakoll:** Some of that less on the high school end may be in the numbers that need to participate rather than the actual cost to help the ones that need it. One reason why a number less than .25 was selected is that with the traditional alternative high school, that is essentially a full time situation. In the middle school with both the House and Senate language, we are at about an average of 15 hours per week—so that is why there is that difference between the two. In talking to people they will move in for part of the day and then out to interact with their peers. **Representative Kelsch:** Did you talk to Jerry Coleman about what it would cost to continue at a .15 versus a .20? If he has any ballpark figures—when he was in the House Education committee he stated that he thought it may go up to \$1M. **Senator Flakoll:** \$750,000 then; if use straight math.

**Representative Monson:** Sharing some concerns of the House, Appropriations especially with even starting this type of program. They are wondering what is the future cost going to be? With federal funding decreasing, what is the future of some of this funding going to be and see the need for this? This is probably a very important age bracket to target with help, but would like some kind of idea to relay to his colleagues that were reluctant to go as far as the House did on this, if we had some better numbers as to what we are looking at in the future. The \$300,000 cap is one thing; looking at putting it into the formula is another. **Senator Flakoll:** Based upon Representative Kelsch report from Jerry Coleman, it would probably be in that \$750,000 range. We all recognize that there a number of variables that play into that—how many in your school district much less how many need to go into this program. The various components—we can't predict what the per student payment will be at the end of this week, much less the beginning of next session. Tough to pin down real tight. The comparative number would be approximately the midway point; from the most challenged ELL category to the second most ELL category. Most challenged is at the .2 factor and the next one is at .07 level. Midway between there as a reference point. Again

with those students, when that started in about 1999, we also developed a block grant that was associated with that because we didn't know how many it would be.

**Senator Heckaman:** She's not sure when or how alternative high school program started; did it start a similar way—gave them the money and then the program was developed. Think we are going backward in this one; no criteria for a program, placement, guidelines set but ready to give the money out. When I look at 15 hrs per week, divide your week into five days—that is three hrs. per day. That is quite a bit of time, so my question is—is this how the alternative high school was developed?

Motion carried on 11.0208.07046 (Vote #38) 5-1-0

**Senator Flakoll:** Motion to adopt 11.0208.07047; second by **Senator Heckaman**.

**Representative Monson:** Not saying he is opposed to this but think this one may be better to wait on, think about and the ramifications of putting it into place.

**Senator Flakoll:** Motion withdrawn.

# 2011 SENATE STANDING COMMITTEE MINUTES

Senate Education Committee  
Missouri River Room, State Capitol

SB 2150, CC#9  
April 19, 2011  
Job # 16754

Conference Committee

Committee Clerk Signature 

## Explanation or reason for introduction of bill/resolution:

Relating to regional education assoc., the professional dev. advisory committee, ND scholarships, supplemental teacher-effectiveness compensation plans; technology, regional education assoc., curriculum requirements, assessments, scholarships, student consultations, state aid; isolated schools.

## Minutes:

See attachments

**Committee Chairman Senator Freborg** opened the Conference Committee meeting on SB 2150; all members present—**Senators Flakoll, Heckaman; Representatives Kelsch, Monson, Mueller.**

**Senator Freborg** opened the Conference Committee on SB 2150. He asked the committee to turn to section #42. **Senator Kelsch** said that she had reviewed the amendment 11.0208.07047 (#4 Attachment) and would like more time before the vote.

## Section #3

**Representative Monson** asked, when it says, in subsection #1 that local tax revenue other than those necessary to support the districts kindergarten program and the districts provisions of elementary and high school educational services, what does that mean. He can understand that if they are a wealthy district and they are below the 110 mill, then he can understand how that could apply. But, if they are a poor school district, with this language it may be limiting them. He asked for more of an explanation on this.

**Senator Freborg** asked if he thought it was too restrictive.

**Representative Monson** pointed out that by putting that language in you are saying that if you are able to find other funds without hurting your kindergarten through K-12, and if you have extra money you can go ahead and offer or use your tax revenue to offer this early childhood program. If by offering an early childhood program you will start shorting your K-12 then you can't.

**Senator Freborg** replied that if they are at the cap there isn't any other way to raise money for this program unless we put an appropriation in. The reason the language is there is that we don't want to jeopardize K-12 funding by starting another program.



**Representative Monson** raised the point that if we believe in early childhood education this could become a problem. He stated that we either had to concentrate on K-12 or be relatively well off to offer early childhood education.

**Representative Kelsch** said that the language came out of the commission report. It was the way to address the programs that were currently in existence. There had been some questions on whether they had the authority to begin these programs. The language was put in as a clarification for districts that have these early childhood programs to give them the opportunity to keep these programs operational. She said that if a school district can do it that is fine and if they can't that is also fine because the state is not providing money for pre-kindergarten.

**Senator Freborg** asked if she would favor putting the \$800,000 back.

**Representative Kelsch** said that she might not have the amendment for the full amount but that is her intention.

**Senator Heckaman** asked how these districts that have the early childhood programs fund it now.

**Representative Kelsch** replied that some districts are using some of their title money; some are using additional dollars that they had. She stated that they want to make it clear in law that you cannot jeopardize K-12 programs.

**Senator Freborg** said they would continue with section #3 in the afternoon.

**Senator Freborg** asked Representative Monson to give an explanation on the Federal Job Money. He said the error money has to be used for wages and salaries but there may be a broader interpretation.

Discussion continued on this federal money and how it can be used and what it can be used for. There was discussion on the possibility of getting \$800,000 out of the program but Representative Kelsch said that wasn't a possibility. She explained that it is her understanding that it is just a pass through. The only authority that the legislature has over the money is to appropriate it. It was discussed that they should help provide direction on how it is sent out and when. Representative Monson stressed that this is one time money and there will not be more federal funds coming in to replace them. He stated that we have to be very clear to the schools that this is a onetime windfall.

**Senator Freborg** opened discussion on deferred maintenance.

**Representative Kelsch** explained that the House policy committee didn't have an opportunity to discuss it but it has been a very popular program. Personally she was thinking it wasn't necessary this biennium given the fact that the school districts had received a large amount of federal (error) funds during the last biennium and they had potentially done a fair amount of maintenance. The deferred maintenance was not included in SB 2150 when it came over from the Senate. It was in SB 2013, the budget bill.

**Representative Monson** explained that the deferred maintenance language was dropped out of this bill by Senate Appropriations and moved into SB 2013. There was no money in SB 2013, just language. The House Appropriations took out the language because there was no money.

**Senator Flakoll** asked if there was any discussion in the House on doing deferred maintenance versus the 5 million dollars that was proposed for rapid growth enrollment.

**Representative Monson** doesn't recall that they had much discussion on deferred maintenance for the reasons that Representative Kelsch just shared.

**Senator Freborg** opened discussion on mandatory attendance to the age of seventeen.

**Representative Kelsch** explained why the compulsory age of seventeen was removed. There was more discussion on pros and cons.

**Senator Freborg** opened discussion on section #19.

**Representative Mueller** introduced amendments to section #19. See amendment 11.0208.07043. He reviewed the current code (#5 Attachment) and explained the amendments.

Discussion followed on half day and full day kindergarten and the process. The importance of flexibility was expressed. Also discussed tuition and funding.

**Representative Mueller** moved to adopt amendments 11.0208.07043.

**Senator Heckaman** seconded.

Roll call vote #39: 5-1-0. **Motion passed.**

**Senator Freborg** opened discussion on Section #37.

There was discussion on HB 1047 dealing with property relief and how it is distributed. Senator Kelsch explained that they were two separate issues. Section #37 is a school funding issue and that is why this amendment is in SB 2150.

**Representative Kelsch** moved to accept section #37.

**Senator Flakoll** seconded the motion.

Roll call vote #40: 1-5-0. **Motion failed.**

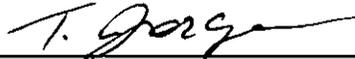
# 2011 SENATE STANDING COMMITTEE MINUTES

Senate Education Committee  
Missouri River Room, State Capitol

SB 2150, CC#10  
April 19, 2011  
Job # 16777

Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

Relating to regional education assoc., the professional dev. advisory committee, ND scholarships, supplemental teacher-effectiveness compensation plans; technology, regional education assoc., curriculum requirements, assessments, scholarships, student consultations, state aid; isolated schools.

## Minutes:

No "attached testimony."

**Committee Chairman Senator Freborg** opened the Conference Committee meeting on SB 2150; all members present—**Senators Flakoll, Heckaman; Representatives Kelsch, Monson, Mueller.**

**Representative Kelsch:** Work off 07050 ....amendment does is appropriates \$625,000 to Supt of Public Instruction for supporting the kindergarten program provided by ND State University Extension. Needs to be further amended to say ND University Extension service may use up to \$125,000 appropriated for administrative purposes.

**Representative Kelsch:** Move to make the amendment to get into discussion. This program was approved by the House in NDSU Extension service bill, removed on Senate side.....it is a valuable program. The legislature of ND says we are not interested in providing pre-kindergarten program and mandating any sort of program or having a Public Pre-K program. This is a successful program run under the Extension Service bringing parents and children together to walk through what kindergarten is about. It is a program that we talk about.....having parental involvement at an early age, hooked for life in participating in childhood education. Was part of the Commission on education improvement recommendation and because discussion on pre-kindergarten and potential recommendation. No will for pre-K ....so thought this was a good thing to get kids to understand how to be ready for kindergarten and keep parents involved. No mandating.

**Senator Freborg:** How did you arrive at the dollars? **Representative Kelsch:** Another set of amendments....originally \$400,000....the \$625,000 is bare minimum, originally close to \$900,000.

**Representative Mueller:** We are going to run it through the University Extensive Service. They have dealt in this area.....is it possible the Dept can handle this as opposed to running it through Extension services? **Representative Kelsch:** Best left there, maybe a better way going through the DPI and granting it out that way. (News item about the cancellation of

program in Mandan, however there was much excitement and approval of the parents to keep this program.)

**Senator Heckaman:** This is a good program, read information/letters from parents and learned the importance of this program. If we would fund it at the level it was at previously, but if not, does that previous funding that the extension service had contain more administrative costs or more program services? I like the level we are at and do not want to lose this by going more.

**Senator Flakoll:** An e-mail correspondence from Mr. Delane Houck to Sarah Chamberlain (3/23/2011) a notation of executive budget would provide \$500,000 for past due funds that goes through the school to cover the portion of teacher cost and remaining for administrative cost. This was proposed in the amendment and details appropriation they had in prior sessions to support the parent resource centers....about 125 across the state that are currently able to support that. **Representative Monson:** Does anyone know exactly what happened to this program in the extension? Did the Senate take it out or is it at zero? What is the status? **Senator Flakoll:** The policy committee did not see that ....it went directly to appropriations. Did a prioritization. They came out at the Head Start Program funded at \$1M level out of committee, the body as a whole, rejected, so it was lost. We as a policy committee feel it is an acceptable way to approach that again and is very different from Head Start in what it does....particularly involving parents and part of a kindergarten program.

**Representative Mueller:** This has had an interesting road....it was in extension budget. Total dollars was \$800,000, now we are at 625K and was all going to be handled by the previous biennium by the extension services. Right now doesn't exist...now will put us back in the game. Taken out and not put back in by House appropriations. **Senator Flakoll:** We are all in agreement about the \$500,000, the bill that came to the Senate had \$830K in it which \$330K was to hire a statewide coordinator and undertake a research/evaluation project to show the impact of the program. That would not be part of the cost, so that is a way having that reduction, with respect to research/evaluation activity that was proposed. Program in place for many years and earned its spurs.

**Representative Monson:** Lone appropriation person....of course we are gotten after quite regularly for delving into policy. This is reverse. We are taking money away from one budget and directing into another...appropriation committee must be careful that not taking money from one budget and giving to another. **Senator Flakoll:** Not a reduction proposed in this. What we're asking you to do is to support the Gearing Up for Kindergarten (#6 Attachment) that you already voted for out of your committee and then voted on by the full House, but at a lower rate. **Representative Monson:** Our business here, the Senators would have a bigger question because your side took the money out of extension budget and voted by the whole Senate.....maybe it hasn't come to the floor in that manner. If you are ok with it, we can discuss further.

**Senator Freborg:** We are asked to cut at the beginning of the session....gets to appropriation and they do a bigger cut. Then they do something with that money and not in elementary or secondary education. We should not base this on the money.

**Representative Monson:** To keep it cleaner, let's look at the language in an amendment that we put in here that does the authorization and then the money in 2013. If we are doing this, the authorization in here and appropriation 2013 which is the budget bill for DPI. We can continue discussing this.

**Senator Freborg:** Representative Kelsch is that where you feel the money should come from? **Senator Flakoll:** Maybe we are \$10M under Senate version of the bill, we have some differences is entirely appropriate to put that in this particular bill as if in 2057....the new commerce bill. **Representative Kelsch:** Two options, either have outright appropriation in here which will be reconciled in 2013 or do much like we have in the bill for the rapid enrollment growth, they are grants. Tell the amount of money they can expend in the other grants item appropriation bill ....you can do it either way and make sure the money gets in 2013.

**Senator Freborg:** It would easier if we knew someone on 2013. **Representative Kelsch:** Have someone here, but that would be 2 votes. **Representative Monson:** You'll get 2 votes on 2013 from our side.....whether you have the votes on your side and feel more comfortable doing it here? Chairperson.... **Senator Freborg:** Much better opportunity right here. Easier to put it in than to try to put it in somewhere else when we're not there. May not be their priority and 2 votes aren't enough. Do we want the appropriation with the amendment or should we put in a separate section with the appropriation?

**Representative Kelsch:** Way written, this would be appropriated in this bill. If that is what you prefer, we can do it that way. Otherwise you have to do it the way we have the grant line item and has to be reconciled with 2013 when we are done. There has to be some reconciliation done anyway as this isn't the only part of that \$10M difference between House and Senate that will be debated.

**Senator Freborg:** We have a motion with a lot of discussion on the motion. Clerk take roll.

**Representative Kelsch:** Make sure that you are clear that we are working off the 07050 and that additional language written in.....the crossed out language, the additional language that was written would be an amended version of 07050 ....would include the written in language. **Senator Freborg:** Number will serve for taking our vote. Someone will make the correction or have a better idea? **Representative Kelsch:** Someone will make the correction.

**Representative Monson:** Section 27 in this bill deals with teacher's supplemental pay and assuming this has no bearing on anything.....just numbers that popped up.

**Senator Freborg:** Take roll for adopting the amendment that doesn't have the number 07050. **Motion carried 6-0-0 (Vote #41)**

**Senator Freborg:** Go to section 3.

**Representative Monson:** I have studied both Senate language and existing law, the House education committee put in here.....many colleague said this is the camel's nose under the tent. The language already in law, I don't see we are doing anything any different in any

one of these three .....just clarifying. I am ok with House education is very simple....one word here of there. I am ok with leaving things as is....it does leave some gray area. Some schools are doing this using ERROR money. **Senator Flakoll:** I agree with Representative Monson. By passing it, we are being more prescriptive of things they can and cannot do. Now they can do it as long as no one objects. We have tightened down the definition to a greater extent because we have greater control over fund that are not able to be used.

**Representative Mueller:** We do need the language in section 3. There are a few schools that are actually not doing it because if they read the law, and interpreted....they can't. Now we are saying you can do it, but with your own resources but not using state funds. We authorize Pre-Kindergarten with section 3. Haven't done before (some schools have been doing it with ERROR time money.....title money maybe...not concerned how it was paid for.

**Representative Kelsch:** Perhaps in the 2007 (2200) session this language was put into law. Purpose was we were looking at Pre-K programs and wasn't there as today. No way is the legislature mandating early childhood education programs or paying for early childhood programs. We are very clear on that and House education committee worked on the language exactly what wanted to say. That is how the list was made; our committee was more comfortable with this language than original language. If there are demands for programs as this in the school districts, they want to do it; ERROR money has not been used. Some of these programs were started after the 2007 session. If there is a conflict, wouldn't want to be in that district as parents could be upset. Not mandating anything, it's a clarification of the language that has been in effect since the 2007 session.

**Senator Flakoll;** Purposes of discussion, I move the adoption of section 3; **Representative Mueller:** Second. **Senator Freborg:** Discussion

**Senator Flakoll:** For those 35 places that currently offer, these are the restriction you have to play within. Agree with Representative Dosch who during deliberation on this topic of Pre-K activities as how does this pertain to the 70% cost of instructional language and having amendments drafted that would say anything that says Pre-K program is exempt for those calculations. If local dollars thrown in, we don't have to provide the money.

**Representative Monson:** Not comfortable with any of this language. The reason is the fact you are telling the wealthier school districts .....not quite sure what we are putting in here is proper. I would rather see the poorer districts figure out a way to legally use whatever merger amount of money .....this is a tiny program and costs nothing. Good to have language that makes it available for everyone equally and not to just those who are at 109 mills. Colleagues suggested bring it to a vote to the people. Put in language that would say if it is brought to a vote of the people to use tax money (local election) .....giving the parents a buy in. **Representative Kelsch:** Remove the new language and be done with. It is already in current law and the legislative intent is they can use their local dollars. All the work that was done by commission on education improvement, trying to be very cautious and careful speaking on behalf of the two House members to insure it was not opening a pre-K and make sure the language was crafted specifically as it is.

**Motion failed 3-3-0 (Vote #42)**

**Senator Flakoll:** Move for adoption of section 23 as relates to equity payments.  
**Representative Kelsch:** Second

**Senator Flakoll:** I have a state wide statistical summary from Dept of Public Instruction that will show equity payments for the current biennium for \$45M ... a reference point for those interested. Some will continue to grow as moving forward...Mr. Larson is here...the champion for the equity effort. Williston will increase from \$700K payments in the upcoming biennium. Those are doing what we hoped they would do.

**Motion carried 6-0-0 (Vote #43)**

**Senator Freborg:** Passed and adjourned

# 2011 SENATE STANDING COMMITTEE MINUTES

Senate Education Committee  
Missouri River Room, State Capitol

SB 2150, CC# 11  
April 20, 2011  
16795

Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

Relating to regional education assoc., the professional dev. advisory committee, ND scholarships, supplemental teacher-effectiveness compensation plans; technology, regional education assoc., curriculum requirements, assessments, scholarships, student consultations, state aid; isolated schools.

## Minutes:

No testimony attached

**Committee Chairman Senator Freborg** opened the Conference Committee meeting on SB 2150; all members present—**Senators Flakoll, Heckaman; Representatives Kelsch, Monson, Mueller.**

**Senator Flakoll** presented amendment number 11.0208.07051. These are the amendments that I was talking about yesterday that anything from early childhood won't be considered as a requirement that the state, in theory, wished to provide 70% of the funds for that.

**Representative Mueller:** I understand what you are putting forth; what can they use as a source of funding? **Senator Flakoll:** These are 2 separate issues and we killed the part that you are talking about yesterday. **Senator Flakoll** then made a motion to adopt the .07051 amendments with a second by Representative Kelsch.

Vote #44: Adopted 6-0-0

**Senator Flakoll:** 7047 amendment and the weighting factor for them beginning in the 2013-2015 school year. It deals with section 42 of the House version as it relates to alternative middle schools. **Representative Kelsch:** Can you give me an estimate of cost to continue? **Senator Flakoll:** I believe right now there are 688 children in alternative high schools. If you take that divide by 4 and multiply by 3 we could get an estimate of the number of students participating in. **Representative Mueller:** 27.5% of the 688 at risk or did I misunderstand that? And what does 'at risk' mean in that case? **Senator Flakoll:** 688 students and represents 20% of the student population. **Representative Mueller:** I support the concept; we see the alternative middle school numbers go down in high school.

**Senator Heckaman:** I agree; I don't know if we are comparing apples to apples here. I don't think that every school that has an alternative high school will have an alternative middle school and on the contrary we will have schools that have alternative middle schools and not alternative high schools. It is sort of a guesstimate right now and I will rely on Senator Flakoll's numbers to support this amendment.



**Representative Kelsch:** The \$620,000 is based on the .15 factor. **Senator Flakoll:** \$4,000 per student used would be 516 students multiplied by \$4,000 multiplied by .15.

**Representative Monson:** I have no problem with this I do know that the House Appropriations as a whole usually resists putting things like this with a cost to continue in place on a new program that we have never funded. We cut the amount down to \$300,000 and we will look at it in 2 years and we will decide if we want to make it a factor. By leaving the factor out we would get some support from House Appropriations members, many of whom still don't like it because it is starting a new program.

**Senator Flakoll:** I have read the discussion on the House Appropriations minutes; I think from a Senate standpoint it has full support. **Representative Kelsch:** Actually, not necessarily, there were some people who didn't vote for it because there was something else that was not addressed appropriately in the bill and there were others who flat out won't vote for an education bill over on the House side, no matter what's in it or how good it is for their school district.

Senator Flakoll then made a motion to adopt the 0747 amendment to SB 2150 with a second by Senator Heckaman.

**Representative Monson:** I feel obligated to oppose this at this time due to the cost to continue. I see no need to add this; if it turns out to be a good program and we want to continue it we can do it next time. I appreciate the fact that you brought in a .15 factor instead of a .20 I think that is a good move. But at this point I will be voting to oppose it.

**Representative Kelsch:** I did support my policy committee on the passage of this amendment and have become a proponent of the alternative middle school because I see that it has value. I think that it is a minimal amount for a cost to continue due to the fact that you could reduce the corrections budget or perhaps some certain section of DHS by a like amount and put it into the aid formula. **Representative Mueller:** I appreciate the fact that we are setting the obligation for the next biennium but I don't think that \$6,000 is off the mark for that. **Senator Flakoll:** If we are asking school districts to set up a program they will only have a limited amount of time to start and no promise of future funds. We can change in the future if we agree it is a bad program, we have changed the ELL program for the past 3-4 sessions.

There was no further discussion; roll was taken (Vote #45) and the motion failed 4-2-0.

**Senator Flakoll:** Move section 9 of the Senate version as it relates to compulsory age of attendance which would include kindergarten and 17 years of age.

**Representative Mueller:** If I recall the testimony correctly, the age 7 moving down to 6 with the intent everyone being enrolled. We have about 80 kids that are not in a kindergarten program currently in North Dakota, if memory serves. As I think about that there is most likely a good reason as to why they are not in a kindergarten. I don't think that we need to do that; I think that a great share of the people are getting their kids into kindergarten. We already talked about the 17 year old, I am not sure that I want to be a teacher of a 17 year old who is doing everything they can to get kicked out. **Senator Heckaman:** Legal age in North Dakota isn't until you are 18. Working with less than easy students for most of my life, there are ways to work with them. It costs us more money to get them back into the system and I think that it becomes regretful later on.

**Representative Kelsch:** Senator Flakoll, what does the age look like across the country and in the surrounding states? **Senator Flakoll:** Not off the top of my head. I know that a significant, I am hesitant to say majority because I don't have the numbers at the ready, are either 17 or 18. **Representative Monson:** Everyone is different; I don't believe that age 6 is perfect and upper age is 17 or 18. Today's world is different. By the time they are 16 they have learned a lot of stuff. Where did 16 come from? Today we have a lot of programs set up to assist and keep them in school. North Dakota has some of the lowest dropout rates in the nation. I think we are doing a good job of it. I don't know what the answer and I am not sure that one more year is the answer. **Senator Freborg:** I think it is 16 or an 8<sup>th</sup> grade graduate.

**Representative Mueller:** How many dropouts are there? **Senator Flakoll:** I believe there are between 750-800 a year. **Representative Mueller:** Less than 1%, it's more like .7% **Senator Flakoll:** Losing more than 10% of every grade.

**Representative Monson:** Has there been any discussion about strengthening truancy laws. In some cases parents are more a problems than the kids. We are too lax on truancy. **Representative Kelsch:** Senator Cook introduced a truancy bill during the 2009 session that tightened up the truancy law. This session we had a bill that defined the policy a little bit more.

There was no further discussion, roll was taken (Vote #46), and the motion failed 3-3-0.

**Representative Kelsch:** This was a technical correction. Last session missed some language to waivers for severe weather. **Senator Heckaman:** We made a change to section 38 from the House version 11.0208.07048. Hold for the next year and then drop by 25%.

Senator Heckaman briefly explained the changes to Section 38 of the House bill. A motion was made by Senator Heckaman with a second by Representative Kelsch.

**Representative Kelsch:** This section of the bill has been discussed for at least a year to get ready. But I will say this; they better not come next session asking for an extension. We need to start taking into consideration the kids and not just keeping buildings open to keep them open. **Senator Flakoll:** Also note that the districts that are involved in this, some are as high as 35% in their ending fund balance.

There was no further discussion, roll was taken (Vote #47), and the motion passed 6-0-0.

**Representative Kelsch:** Maybe we should talk a little about rapid growth enrollment. You talked about the Impact Aid Fund, are there any thoughts out there as to what would be workable? **Senator Freborg:** Would you like to talk about rapid enrollment for the entire state or just the impacted area? **Representative Kelsch:** When we first set it up, it was a statewide program. If you were going to dip into the Impact Aid Fund it would be strictly for the counties in western North Dakota as stated in HB 1013. That is the decision that has to be made, where they need the help the most. **Senator Freborg:** If we are talking about the Northwest area of the state I would rather use an impact fund. I understand there isn't much in there for schools; I don't understand why if they have a tremendous they should qualify. If they qualify to apply they should be given consideration. I wish there was a way to designate a certain amount of dollars from the impact fund to go to schools.

**Representative Monson:** Representative Kelsch and I did have this conversation to say what it can be used for. Limited to infrastructure, your understanding could be used for salary.

**Senator Freborg:** I would have to read the narrative with the \$100,000,000 recommendation in the governor's budget. If it's all for infrastructure, I felt like there was a smaller amount of money set aside that they could use.

**Representative Kelsch:** Could you set aside the \$5,000,000 and even though it would meet the definition of the Impact Aid Fund you could address the rapid growth enrollment so you could put some strings to it. It may not be a bad idea, it does take away the fact that it is a statewide program but I think that the schools that are struggling and having a hard time with this happen to be in the Northwest corner of the state more so than other areas.

**Senator Heckaman:** By those numbers it would cover just about every school in the state.

**Representative Kelsch:** You have to have an enrollment increase of at least 25 students so there are only about 12 schools that qualify.

**Senator Freborg:** The money that we are talking about is impact money, not student impact the impact must be created by development.

**Representative Kelsch:** The way this is written it may take additional students unless you tie it to it. It would take in 8 schools if you kept it at a percentage or defined what rapid growth enrollment is.

**Senator Heckaman:** What if the schools merge?

**Senator Freborg:** Representative Monson can we see if we can designate \$5,000,000 of the \$100,000,000?

**Representative Monson:** There is the question as to what it can be used for. Buses, salaries, building costs, ECT.

**Senator Freborg:** Education has a special responsibility to make sure that the schools can make it.

**Representative Monson:** I do not know if they will continue to qualify from year to year.

**Senator Freborg:** If they don't have the influx again then they pick up the payment for those students.

**Representative Kelsch:** If we are going to do something like this we need to make sure that one school district could not take all of the money.

**Senator Freborg:** I hope those in charge of the fund would take into account the number of schools with rapid enrollment out there.

**Representative Kelsch:** Yes we have a cap on rapid growth formula. Have a committee on HB 1013 to make the determination as to where the money goes.

**Senator Flakoll:** I would like to have Jerry Coleman look at the enrollment numbers for those districts for the year 2010, 2000, & 1990 to see how their numbers have changes over the years.

There was no further discussion and Senator Freborg adjourned the conference committee on SB 2150.

# 2011 SENATE STANDING COMMITTEE MINUTES

Senate Education Committee  
Missouri River Room, State Capitol

SB 2150, CC# 12  
April 20, 2011  
16803

Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

Relating to regional education assoc., the professional dev. advisory committee, ND scholarships, supplemental teacher-effectiveness compensation plans; technology, regional education assoc., curriculum requirements, assessments, scholarships, student consultations, state aid; isolated schools.

## Minutes:

See Attachments

**Committee Chairman Senator Freborg** opened the Conference Committee meeting on SB 2150; all members present—**Senators Flakoll, Heckaman; Representatives Kelsch, Monson, Mueller.**

**Senator Flakoll:** Earlier this week we talked about compulsory age of attendance, the upper limits and we were able to get that, currently there are twenty seven states that are sixteen and twenty four that are seventeen or eighteen, Attachment #8.

**Jeff Engelson, Director of the Energy Development Impact Office:** Soon to be Energy Infrastructure and Impact Office. 1013 which was signed by the governor increased funding for the energy impact office from eight million per biennium to one hundred million and of that hundred million; thirty five million is dedicated to the three biggest cities in the oil country, Minot, Williston and Dickinson. The other sixty five million for the biennium there is no specific references to any entities but the legislation gave the land board the ability to make the grants, they can also appoint an advisory committee. There is no allocation for schools; they usually receive around five percent. The program is for the direct impacts of oil and gas development and their biggest impact is their busses. He talked about the amount of money given out before and the money being asked for now.

**Representative Mueller:** Could we safely say that none of it can go outside of oil country?

**Jeff:** Yes that is correct it will go from Bottineau to Bowman.

**Representative Kelsch:** So thirty five percent of the hundred million goes to Minot, Dickinson and Williston and the sixty five percent goes to the counties, townships and then the schools? **Jeff:** Yes to the first and no to the second part, it is for any political subdivision in western North Dakota. He talked about the different entities asking for funds. They put one hundred and forty two million in for this biennium to help counties and townships with road projects. Historically this program was focused on roads but now there is a separate grant program through DOT. He said he feels this program will now focus less on roads, which leaves more money for the other projects.

**Senator Heckaman:** Are these on a first come, first serve bases or what is the priority being used? **Jeff:** Historically it had been me driving around and driving the roads and meeting every superintendent, county and city official and then making the decision. Going forward I do believe with this committee, with fifty million dollars a year it will be a lot more formal process and there will be a committee coming up with the criteria.

**Chairman Freborg:** Is the money that is to go to schools restrictive, to be spent in certain areas? We are concerned about a large influx of students and how they would take that into account. **Jeff:** That is something I could see as a direct impact and would be up to the board. In the boom years it was to help with the schools in building areas.

**Senator Flakoll:** We are not prohibited in any way by the constitution or otherwise from accessing any of those funds for schools in a targeted fashion? **Jeff:** Not that I know of.

**Representative Monson:** Under your rules that you are looking at could one school come in and get the whole amount that is allocated for schools? **Jeff:** I am not sure. Sixty five million doesn't go very far.

**Representative Monson:** Did I hear you say that one school has put in for eight million? **Jeff:** They requested some information on what they would have to do to get in line and I couldn't help them yet.

**Representative Kelsch:** She gave a scenario; what if this group decided they wanted to set aside some of that money to specifically be used for schools, for those rapid growing school districts, the dollar amount is five million dollars and reduce the fund by five million and you have ninety five million, by doing that would you preclude any school districts from coming in and asking for additional money if the five million that the legislature set aside for the school district was inadequate? **Jeff:** Not in his mind; it is there for the direct impact of the oil and gas development.

**Chairman Freborg:** Does the governor recommendation divide the dollars thirty five-sixty five; where did that come from? **Jeff:** Yes that came from the governor's recommendation.

**Senator Flakoll:** What if the school has a large ending fund balance, are they restricted from impact dollars? **Jeff:** Financial need is a big part of it.

**Senator Flakoll:** It would seem that there are more general need for other things beyond buildings and infrastructure if you look back ten years. I think this is a better solution in respect to others we talked about, it is more inline on what we do with oil impact dollars and less of a problem as it relates to providing equity and it doesn't mess up the formula.

**Representative Kelsch:** So what is your vision of the distribution for that money, it would be building on that scenario I gave previously? **Senator Flakoll:** I would think in the spirit of fairness there certainly has to be a definition of what rapid enrollment is and whether it is five or seven percent there has to be a minimal number of students, the second part of the eligibility requirement. He went onto explain how he would like to see it work.

**Representative Kelsch:** When I said using the formula, I meant using it as a guideline for distributing the money or based on their per pupil increases, not that it is a permanent part of the funding formula but it needs to be run through there.

**Senator Flakoll:** Then would the various waiting factors apply for the students, I don't know how we would do that as far as comprising that twenty five, would that play into the school size or on a student bases? **Representative Kelsch:** That may be the way to do it but we do have an expert here that can tell us how he would like to see it done.

**Representative Monson:** This document that Jerry provided us is quite telling (#7 Attachment). One of the other features I have been looking at and trying to track is when it crosses the taxable valuation and most of these schools saw a steady decline for a number of years in the number of pupils but a steady increase in the taxable valuation, not all. He talked about the numbers that didn't seem right.

**Chairman Freborg:** Concerning impact we are talking about something we have no control of, we have the impact office, they put in their application and if they qualify they will be considered for money. As long as the money is there, I thought that was our concern, it seems there is plenty of money there. **Representative Monson:** There is one school district that has seen nothing but steady increase of numbers of pupils and nothing put steady increase in taxable valuation and they are not one that would qualify for this impact through the hundred million fund. **Representative Mueller:** I do think the numbers that Jerry provided; most of these school districts if we go back ten to fifteen years had considerably more students than they do today, even those that are rapidly growing. In terms of the physical capacity to handle those students, that shouldn't be a big issue. What has changed is some of those teachers aren't there anymore.

**Representative Kelsch:** That could be true but how updated was the capacity that they had done, what was the condition of the building? **Representative Mueller:** There probably have been some things that weren't taken care of that should have been but that is true not only in the rapidly growing school populations but that is true in all the schools.

**Senator Heckaman:** Total population in a school means nothing unless you look at the grade levels it is at. If your declining enrollment was coming in your lower grades as you were moving through and now your increasing enrollment is coming in those lower grades, you aren't going to have the capacity in each classroom that you had before. **Senator Flakoll:** That is also in our handout, it breaks it out by kindergarten, one through six, seven and eight and nine through twelve. **Chairman Freborg:** I think we heard a solution today. Maybe it could be brought in an amendment form.

**Senator Flakoll:** We didn't have much success yet with our senate items. Some students are deferring their scholarships and getting more money. If they take that route and a future legislature decides not to fund the program they will have missed those opportunities.

**Chairman Freborg:** We are going to lose money for gearing up for kindergarten, so that program will be gone. We will stand adjourned.

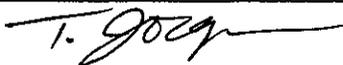
# 2011 SENATE STANDING COMMITTEE MINUTES

**Senate Education Committee**  
Missouri River Room, State Capitol

SB 2150, CC#13  
April 21, 2011  
16818

Conference Committee

Committee Clerk Signature



## **Explanation or reason for introduction of bill/resolution:**

Relating to regional education assoc., the professional dev. advisory committee, ND scholarships, supplemental teacher-effectiveness compensation plans; technology, regional education assoc., curriculum requirements, assessments, scholarships, student consultations, state aid; isolated schools.

## **Minutes:**

See attachments

**Committee Chairman Senator Freborg** opened the Conference Committee meeting on SB 2150; all members present—**Senators Flakoll, Heckaman; Representatives Kelsch, Monson, Mueller.**

**Senator Flakoll:** Would like to revisit amendment 11.0208.07047 regarding the .15 weighting factor for Alternative Middle Schools. Move the amendment with a sunset of June 30, 2015; second by **Senator Heckaman.**

**Representative Monson:** Why the sunset—advantage or disadvantage? **Senator Flakoll:** There was discussion that—thinking that some of the no votes on the amendment the first time were as a result of ongoing appropriation and justifying the program. Think we can argue that part of one year will be tough to evaluate the program in a meaningful way. This would give three years worth of time, and after that it would be put into a bill to continue on in terms of the weighting factor.

**Senator Heckaman:** Guess she sees it as an opportunity to see what the interest is in this program. We don't have any idea right now how many schools would implement this and how many students it would involve. This would give an opportunity to get some numbers by 2015.

**Representative Kelsch:** It would be information so we don't need to include any language in here that we'd like to see a report because that can be information that we can request at any time in the interim in an education meeting or during session—would that be correct?

**Senator Flakoll:** Think we can get the information we need; often we hear about it from contact with school administrators and a variety of people that would be working with and on the program (DPI). One question asked is what exact number will it be? Estimates now are that it would cost less than \$1M for the next two bienniums. May give time to see if it results in a decrease in the number of students that are challenged when they get into high school.

**Representative Mueller:** Like the idea of a sunset; not sure we shouldn't sunset every new program we put into place. This allows us to take a good hard look at it in the appropriate session to determine if we should continue it. Makes good sense and will support it.

Motion carried 6-0-0 (Vote 48)

**Representative Monson:** Introduced amendment 11.0208.07053 dealing with Section 3 Early Childhood Programs. Basically tells the school district to include in their annual elections a ballot whether the people want to have an early childhood program or not in order to use local tax dollars to fund the program. Will move it if you'd like.

**Representative Mueller:** Every time there is a school board election this would be on the ballot—not a one time, but every time? **Representative Monson:** Yes; every year they would have to get the okay from the people to use tax dollars to fund the program. If the answer is no it doesn't mean they can't do the program they would limited to the same thing they are right now. This would open the door to use tax payer money if they've got room in their budget. **Senator Freborg:** When they vote on this tax issue, is that for one year? (Yes) They would have to vote again? **Representative Monson:** Every year at their school board voting they would have that as an issue, just like where to publish their minutes. **Senator Freborg:** They are not voting whether or not to have pre-K, they are voting on the funding? **Representative Monson:** They would vote whether to be able to use taxpayer money. It would legitimize what some are doing as long as the people said yes. If the people said no, they would have to figure out how to offer it. Kind of a compromise; those that are using taxpayer money without any blessing from DPI or the law, are actually breaking the law now. This would give them the ability to say to DPI that they have the blessing to use taxpayer money.

**Representative Mueller:** If they are using local tax revenue now, and plan to continue to do so in the future, think it is a good compromise. But am questioning how it will happen. If the program is dependent on some part of local tax revenue, which we can conclude in some cases is going on now, and the voters say we don't want to do that. Doesn't that in effect stop the program? **Representative Monson:** Guess if somebody wanted to complain about the fact that they are carrying on a program with tax payer money now—that would stop the program too. Suppose there is a risk to people that are currently using tax payer money to run their program that it could end. This would open it up so if the people believe in the program they could get the blessing to use tax dollars.

**Senator Heckaman:** Question on part 3; is this enough direction here or does the board need to go through a non-renewal process if they hire someone there? **Representative Monson:** Believe with this they would offer a one year contract if they are using a certified teacher. If you have a program you can't guarantee funding for the next year, you would have to offer a one year contract to the teacher. Did it all the time with Title funding.

**Senator Flakoll:** Do we know of the 35 places that now offer it, how many may be required to go to a vote? You have referenced the "have and have nots" a few times in the past, does this do anything to quell your fears about that? **Representative Monson:** Not sure it quells his fears completely; if they are at 110 mils—don't know. If they can show



that they are able to use their property tax money without hurting it, that is what we had before in both the House and Senate versions. Took a blend of all that and put an extra twist in there. First question—have no clue how many of the current ones would have to vote. **Representative Mueller:** Can't imagine they all wouldn't have to; not sure that is bad. If you look at what goes on in those places that do it, they are using heat, lights, and room all of which comes from some source. Should think they all would—but think it would be a pretty easy yes vote. That program has done nothing but receive rave reviews.

**Representative Kelsch:** She will resist the amendment; has some real concerns. There are those that are concerned about the fact that we changed the language and sent it back to current law—people that have these programs in their districts. They are successful and working well; her guess is if the citizens don't like it they can stop it right now. Don't see the need for the amendment; already put the law back to the way it is currently by rejecting that section so personally doesn't think there is a need for anything additional in law. That was the message she received from her caucus—we need no clarification in law nor did they want any clarification in law.

**Senator Freborg:** Was this to help out the 35 districts or to encourage the 150?  
**Representative Monson:** In talking with Jerry Coleman, DPI, he felt that he was between a rock and a hard place with the current language or if nothing is addressed, because there are no teeth in it, there is no penalty but he can't tell them they CAN use tax payer money. Obviously without anything it would be breaking the law, so to legitimize what some are doing—and has no idea if they are doing it or not. Would guess that Representative Mueller was right if they are using heat, lights, etc. from tax payer money. Just thought this would put something in there so when DPI looks at these programs it would take pressure off them to say yes to using taxpayer money with approval of the voters. Motion to adopt the amendment; second by **Senator Flakoll**. Motion failed 2-4-0 (Vote #49)

**Representative Kelsch:** Moved amendment 11.0208.07031 (#9 Attachment); second by **Senator Heckaman**. This amendment appropriates money to complete school district connectivity to STAGEnet for K-6 schools (internet access through the state). Not many of them and we do fund all the other schools. Cost is \$131,000.

**Senator Flakoll:** What districts are not currently on the state network? What bill?  
**Representative Kelsch:** The connectivity is in the ITD budget; did have a discussion with Lisa Feldner about this issue and she worked with Anita Thomas to come up with the number it would take. She said certainly, it is not a large issue but could make a case for it.  
**Senator Flakoll:** How will the money then be sent out, and assume it would be a continuing appropriation? **Representative Kelsch:** It would be absorbed now into the funding for STAGEnet in the ITD budget. That appropriation goes directly to ITD.

**Representative Monson:** Has no problem funding this, but think it should be in SB 2013 in the budget. **Representative Kelsch:** We can do that; at the time she was asked to draft the amendment she did not know she'd be on the conference committee for SB 2013. If that is a better place we certainly can offer it there. Just wanted to make sure this committee was aware of it. Can withdraw the motion if you prefer to have it there.  
**Representative Mueller:** What is STAGEnet? **Representative Kelsch:** It is the name of the program they use to connect all of the school districts in the state to have them on-line.

Not Power School; this is their connectivity to allow them to get onto the internet. Right now what these school districts are doing is contracting with a local provider; less expensive through ITD. **Representative Monson:** Wasn't aware that there were schools still out there that weren't connected through the state system. Think it belongs in 2013; certainly support it so they get the best rate. **Representative Kelsch:** As she said, at the time it was drafted she didn't know she would be on 2013 conference committee. Wanted to make sure it was addressed as she said she would offer an amendment. **Senator Freborg:** Would rather it was in SB2013; anyone else should speak up now. **Representative Kelsch:** Will have it redrafted for 2013, and will withdraw the motion. **Senator Heckaman** will withdraw her second.

**Representative Kelsch:** Another amendment—11.0208.07054 in response to discussion yesterday to address the Rapid Enrollment growth schools. It takes the \$5M from the Impact Aid Fund. Has come to her attention, though, that it should perhaps be done a different way. The way written it comes off the top. Discussed that 35% (of \$100M) goes to the three major cities and 65% to everyone else in the Impact areas. It may be smarter to take 2.5 out of the 35% and 2.5 out of the 65% so that it may go over better. The way it currently is written is similar to the language we had in SB2150 as it left the House. If their population has increased at least 7% (takes out the lower level beginning at 3%) with 25 students. Did it so they can't expend more than \$2.5M the first year of the biennium and \$2.5M the second year. Had wanted to make sure there is language in the bill that says whatever isn't used goes back in, and our legal council has stated you don't need that language because it does automatically go back into the Impact Aid fund. Because it is an appropriation rather than a transfer, so any amount that is not necessary stays in that Impact fund. (Attachment #10) Handed out a scenario from Jerry Coleman for Rapid Growth Supplemental Payments to currently eligible schools; doesn't even get to the full \$5M. Allows for some wiggle room because we don't know what these numbers will actually be.

**Representative Mueller:** It would appear (handout) that we stay in oil country; what if in the year Valley City went up 7%? How would this language affect them and how would we get around the problem with money being designated for the oil country? **Representative Kelsch:** The issue in the House was that you were taking \$5M out of Foundation Aid to put into a rapid growth enrollment that was going to fund 1257 kids versus distributing \$5M to all students across the state. See Valley City and Mandan in there, but if you take it out of the Oil and Gas Impact fund it can only go to those school districts in the oil and gas impact areas. Some can say now I don't get any—it's no longer a statewide program. Yes, however, she doesn't believe those school districts would receive a dime out of the Impact fund. Truly think this is the right place for it; they are being severely impacted by the activity in that area. She can live without it being a statewide program, and that is why she offered it up that way. Mandan didn't come and ask her to be part of the program; Valley City didn't come and ask you to be part of the program. Probably the fair way to do it.

**Senator Freborg:** Hate to keep telling people what they used to say when had this kind of impact, but will use Max as an example (in his District). Picked up 30 students and school is at 188 right now. At what point does this kind of impact become opportunity? Thirty students, without development anywhere around, Max would be very happy to get them. Their enrollment stats have gone down a long ways over the past few years—like most

rural schools. To him, if you look at this page the only real impact is Williston. **Representative Kelsch:** You are correct—the one that is impacted the most is Williston, however, she doesn't think that capacity isn't the issue if the classrooms are sitting around 17 students and can absorb them. We don't know what the conditions are in each school whether to build, update, hire teachers, etc. Am open to a number different than 25—to me that is a classroom; others may have different numbers.

**Representative Monson:** Was in on all these discussions and trying to figure out a way to address the problem. Think that he heard Representative Kelsch say that she didn't believe that without earmarking \$5M in that Impact fund that we would not see money go to a school. He didn't get that impression from Jeff yesterday; he felt pretty confident that not only would schools get \$5M that they might get more than that. Did you get the feeling that without this they would get zero? **Representative Kelsch:** Here is her interpretation of Jeff—if Jeff was the person in charge as he has been, she would guess that schools would get some money. However, it is no longer Jeff in charge—it is a committee that is going to be in charge and that makes her nervous. It really depends on who all is sitting on that committee and while she doesn't believe the state needs to be building buildings, but there is a need out there. She has sat down and met with these superintendents and there is a need. That's why when Jeff speaks and if he was the one in charge, it would work. Otherwise, she is not convinced the committee will get the money to the schools. Doesn't think it will be a priority.

**Senator Freborg:** Understand what you are saying, and it certainly is possible with any applications to an impact office that they may not look at it the same way Jeff does or anyone else. But rather than to say that they are entitled to receive, maybe we should have some criteria/qualifications first. We could have some kind of amendment that set down criteria before we said they were entitled to receive.

**Representative Monson:** Jeff is still in charge; there is an advisory committee set up, but only advisory and not the final decision makers. Doesn't mean that Jeff would just ignore their wishes if they said don't think it is a worthy project. As he understands it is just an advisory panel, and he still makes the final decision. **Representative Kelsch:** The reason she put the amendments together was based on the conversation that was held by this committee yesterday regarding the impact fund and where was it most appropriate. If there are strings or ties or whatever that the Senate is interested in putting on there, you are welcome to draft an amendment. She took the conversation yesterday and looked at what could possibly work. Not in the bill from the Senate; idea the House worked on that they thought was feasible and workable. Seemed to make more sense to take it from the Oil and Gas Impact fund. **Senator Heckaman:** In her notes from yesterday, Jeff came in and said he has already gotten a call from Stanley that they need \$8M—is that a need or want. Won't be able to handle that amount through this fund. Other question was to take 2.5 out of each fund—the 35% and the 65%. Would you explain that? **Representative Kelsch:** The reason for that is if you just take the \$5M off the top, that reduces the whole pool. May be better to say that a percentage comes from the 35% and a percentage comes from the 65%. Move to adopt 11.0208.07054 with 2.5% coming from the 35% and 2.5% from the 65% each biennium; second by Representative Monson. Motion carried 4-2-0 (Vote #50). Meeting adjourned.

# 2011 SENATE STANDING COMMITTEE MINUTES

Senate Education Committee  
Missouri River Room, State Capitol

SB 2150, CC#14  
April 21, 2011  
16831

Conference Committee

Committee Clerk Signature



## Explanation or reason for introduction of bill/resolution:

Relating to regional education assoc., the professional dev. advisory committee, ND scholarships, supplemental teacher-effectiveness compensation plans; technology, regional education assoc., curriculum requirements, assessments, scholarships, student consultations, state aid; isolated schools.

## Minutes:

See attachments

**Committee Chairman Senator Freborg** opened the Conference Committee meeting on SB 2150; all members present—**Senators Flakoll, Heckaman; Representatives Kelsch, Monson, Mueller.**

**Senator Heckaman:** I think I would like to look at sections 25 through 32 and 41 and I would move adoption of those sections. **Representative Kelsch:** Seconded the motion.

**Senator Heckaman:** I move these with mixed emotions, I know we need to be looking at something, not sure this is the exact plan I would like to see.

(Attachment #11 related information) Roll Call Vote #51: Yes-4 No-2 Failed

**Representative Kelsch:** Can we go back to amendment 07041, and this is the amendment dealing with the education funding and taxation committee. I have it as one of the first amendments that was adopted. Without bringing it all the way back it is just a small amendment. Would like to delete the language in section one subsection b, that says, five nonvoting members, it would be b one, two, three and four and it would be renumber accordingly. I would move that. **Representative Monson:** Seconded the motion.

**Representative Mueller:** A brief explanation on why that would be a good idea.

**Representative Kelsch:** If you don't need to have everybody present at every single meeting, it makes sense to call them in when you actually need them and their expertise.

**Representative Mueller:** What we now have is a committee of eight legislators and the folks being asked to be removed were part of that committee. We would not be using all the resources we could have by removing them even though they can come in when they are asked.

Roll Call Vote #52: Yes-4 No-2 Motion carried

**Representative Kelsch:** I want to pass out a document from Jerry Coleman from the Department of Public Instruction and this is the information regarding the jobs money, **Attachment #12.** We told you that both Representative Monson and I will be sitting on senate bill 2013 and whether we want to put some language in here or put language where the line item is, we just want to make sure that school districts don't believe that the money that is coming from jobs is going to be applied to the base going forward. 07055 was the weather related language that needed to be put in here from the last legislative session, technical language. I move the amendment 07055. **Representative Monson:** Seconded the motion.

Roll Call Vote #53: Yes-6 No-0 Amendment passed

**Senator Flakoll:** The 0752 amendments relate to the special education waiting factor, as drafted they would begin the second year of the biennium. In looking at what we have as far as the bill goes and the difference between the house and the senate, look to further amend to .079 from .075. I would move the amendments the 0752 amendments with the indication that the waiting factor would be the multiple of .079. **Senator Heckaman:** Seconded the motion.

**Chairman Freborg:** Do you have an approximate cost? **Senator Flakoll:** The increase of .004, four thousand dollars, at sixteen dollars times ninety four thousand children it is 1.5 million dollars per year.

**Representative Monson:** If we do this it becomes part of the base budget for the next biennium and we would expect the effect to be approximately to be three million dollars per biennium after this? **Senator Flakoll:** Yes and with the numbers I sighted it would seem likely it would go up some on per student payment which would amplify this to some degree.

**Representative Monson:** This would be in the per pupil payment line item at that point it would all go out per the factor? **Senator Flakoll:** It would be part of the formula and it would be listed in 2013, it would list the actual amount for special education contracts and some of those that are listed specifically.

**Representative Mueller:** What increase from 75 to 79, are you were speaking of? **Senator Flakoll:** Yes that is what I am proposing with this amendment rather than have legislative council redraft it. The bill came to the conference committee, it was point seven three, it would be one point five over what is shown here. **Representative Mueller:** That is exactly the point I wanted to be sure about, so the 1.5 million isn't quite correct because you have to move up the total of 006. It will be a little more than 1.5 million. **Senator Flakoll:** Yes it is 1.5 over what is shown on the amendment as drafted, approximately 2.26 over the bill as it came to the conference committee. **Representative Mueller:** That does push it up over 2 million dollars per year.

**Senator Flakoll:** When we look at what the state's contribution is for the overall cost of education we have this number at seventy percent but when we look at the special education component of education it is notably less, this would help.

Roll Call Vote #54: Yes-6 No-0 Passed 07052

**Senator Flakoll:** We have to look at the per student payments.

**Representative Kelsch:** Earlier this morning when I asked the question about the alternative middle school, if we should include some language in there for reporting, I think it wouldn't be a bad idea to include some language that would lay out what the success of the program is and looking at it would be to the effect of how many students were served, what happened to those students because of the alternative middle school are we seeing a reduction in the amount of students needing to be in a alternative high school? Is there potential cost shifting or saving that would be information that would be beneficial to us.

**Senator Flakoll:** I would add to the consideration how many hours do they spend, that would also be helpful.

**Chairman Freborg:** We will stand in recess.

# 2011 SENATE STANDING COMMITTEE MINUTES

Senate Education Committee  
Missouri River Room, State Capitol

SB 2150, CC#15  
April 21, 2011  
Job # 16837

Conference Committee

Committee Clerk Signature 

### Explanation or reason for introduction of bill/resolution:

Relating to regional education assoc., the professional dev. advisory committee, ND scholarships, supplemental teacher-effectiveness compensation plans; technology, regional education assoc., curriculum requirements, assessments, scholarships, student consultations, state aid; isolated schools.

### Minutes:

See "attached testimony."

**Committee Chairman Senator Freborg** opened the Conference Committee meeting on SB 2150; all members present—**Senators Flakoll, Heckaman; Representatives Kelsch, Monson, Mueller.**

**Representative Kelsch:** I was hoping that Mr. Jerry Coleman would be here, he is on his way. For discussion purposes in Section 21 the per student payment is #3910 the first year and \$3980 the second year. It would be \$14,500,000 more the second year.

**Senator Freborg:** Included \$5,000,000 floating around here. **Representative Kelsch:** Correct

**Senator Flakoll:** Does it show how much we have for total dollars in 2013. With per student payment and change in special education? **Representative Kelsch:** Jerry Coleman said \$919,459,478 (\$1,000,000 less) **Senator Flakoll:** Exactly \$1,000,000 under executive budget so it is not found anywhere else? **Representative Kelsch:** Not to my knowledge.

**Senator Flakoll:** We are not counting the \$5,000,000 that was used for rapid growth enrollment? **Representative Kelsch:** Also included for special education and \$300,000 grants for alternative middle school. **Senator Flakoll:** Does Jerry Colman have the numbers for special education? **Representative Kelsch:** Not on this sheet.

**Representative Mueller:** If \$918,459,478 has not included special education increase. **Representative Kelsch:** When I talked to Jerry Colman about \$6,000,000 freed up. \$300,000 supplemental pay, \$700,000 alternative teacher compensation and \$5,000,000 in rapid growth. Representative Kelsch then made a motion to adopt the numbers with a second by Representative Monson.

**Representative Mueller:** Why leave \$1,000,000 on the table? **Representative Kelsch:** Nothing

**Senator Flakoll:** \$70 difference each year. What is the purpose of 1 year versus 2 years?  
**Representative Kelsch:** All of those. **Senator Flakoll:** Part of the rationale is that \$21,000,000 is going out the first year. **Representative Kelsch:** Yes

There was no further discussion, roll was taken and vote #55 passed 6-0-0

**Representative Mueller:** Does section 1 need approval? **Senator Freborg:** I thought the amendment took care of that? **Representative Mueller:** Don't leave any section behind.  
**Senator Freborg:** Is everyone comfortable with section 1? (**SB2184 Attachment #13 for reference**)

**Representative Kelsch:** The language is part of the hog house.

**Anita Thomas:** I have a rough draft of the language if you would like to take a look at it and make changes. **Representative Kelsch:** Then read the rough draft of the amendment provided by Anita Thomas.

Representative Mueller made a motion to adopt the language to section 1 with a second by Representative Kelsch. There was no further discussion, roll was taken and vote #56 passed 6-0-0.

There was no further discussion, the committee was adjourned and stood in recess.



# 2011 SENATE STANDING COMMITTEE MINUTES

Senate Education Committee  
Missouri River Room, State Capitol

SB 2150, CC#16  
April 22, 2011  
Job # 16846

Conference Committee

Committee Clerk Signature 

### Explanation or reason for introduction of bill/resolution:

Relating to regional education assoc., the professional dev. advisory committee, ND scholarships, supplemental teacher-effectiveness compensation plans; technology, regional education assoc., curriculum requirements, assessments, scholarships, student consultations, state aid; isolated schools.

### Minutes:

See "attachments."

**Committee Chairman Senator Freborg** opened the Conference Committee meeting on SB 2150; all members present—**Senators Freborg, Flakoll, Heckaman; Representatives Kelsch, Monson, Mock (replacing Mueller).**

**Anita Thomas, Legislative Council**, handed out amendment 11.0208.07056 which is a hog house of all the approved amendments. **Chairman Freborg** asked for everyone to read through it and look for mistakes and ask questions on the amendment (#14 Attachment). **Representative Monson** had a question, but then found what he was looking for.

Comments before the motion to approve:

**Senator Heckaman:** Section 34, page 35—she was visiting with a member of the House regarding the \$8M request by a school district for Impact Aid funds. This Representative felt that the school district wanted the money to build teacher houses for new teachers as there is no housing available right now. Just wants it on the record that she is opposed to this; don't think we want to get into the real estate business. **Chairman Freborg:** Could these have been the teachers to go out and teach the teachers? **Senator Heckaman:** Don't think so; think it happens to be in an area of the state where there is shortages in housing for everyone. The comment by this person seemed to think this was for a few places for teachers to live. Hope that when this money is going out that it isn't a consideration. If it is, then we need to state that in this section. **Senator Flakoll:** Agree with this; he won't hold this bill up, but thinks that from his standpoint, one member of this committee that if they could give that consideration when working on SB 2013. We have at least two conferees here, maybe three, that they would try to limit the scope of the use for the \$5M for rapid growth enrollment. Fine if they use \$\$ for classroom instructional purposes, direct hiring of teachers. Don't know if we want to get into the housing market and how do we deal with it in terms of property taxes and the like. Would ask that consideration of those that work on 2013.

**Representative Monson:** Know where you are coming from; understand that. Would say he disagrees in this particular case because if you can't get a place for teacher to live then you can't hire the teacher. If they have to drive 60+ miles to the school it is going to be quite difficult to teach the kids if you don't have the teacher. Think this is a critical situation; would hope they wouldn't build very many but don't know if we can limit this when it says infrastructure. Thinks housing for teachers might be appropriate.

**Senator Flakoll:** Think it would be more appropriate if they would take it out of the other \$95M than this. Would rather this go toward direct instructional use. **Representative Kelsch:** Think that is probably the best thing to do—say it is for instructional use. Don't think that any of those school districts are going to receive enough money just from this to build many houses—maybe one. In the spirit of what we put this money in for was to address the rapid growth in student population. From everything that we heard, it was that they need the money because we need textbooks, instructional materials, need to hire teachers. Didn't hear that we need to build houses for the teachers, and suppose in a couple of cases may need to use it for portables. She considers a portable or addition to a school to be for instructional purposes. Have a harder time with building teachers houses when it should go into the classroom.

**Representative Kelsch** move that the House recede from the House amendments as published on pages 1408-1442 of the Senate Journal and pages 1229-1268 of the House Journal, and that re-engrossed Senate Bill 2150 be amended as follows with 11.0208.07056. Second by **Senator Flakoll**.

**Motion carried; 6-0-0 (Vote #57)**



# 2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Education

Bill/Resolution No. 2150 as (re) engrossed

Date: 4-15-11

Roll Call Vote #: 2

- Action Taken**
- SENATE accede to House amendments
  - SENATE accede to House amendments and further amend
  - HOUSE recede from House amendments
  - HOUSE recede from House amendments and amend as follows

Senate/House Amendments on SJ/HJ page(s)                     --                    

Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) \_\_\_\_\_ was placed on the Seventh order of business on the calendar

Motion Made by: Rep Kelsch Seconded by: Rep Monson

Senators				Yes	No	Representatives				Yes	No
2	<u>G. Lee</u>			✓		<u>R. Kelsch</u>			✓		
1	<u>T. Flakoll</u>			✓		<u>D. monson</u>			✓		
3	<u>J. Heckaman</u>			✓		<u>P. mueller</u>			✓		

Vote Count: Yes 6 No 0 Absent 0

Senate Carrier \_\_\_\_\_ House Carrier \_\_\_\_\_

LC Number \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Sect 4 adopt

# 2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Education

Bill/Resolution No. 2150 as (re) engrossed

Date: 4-15-11

Roll Call Vote #: 3

**Action Taken**

- SENATE accede to House amendments
- SENATE accede to House amendments and further amend
- HOUSE recede from House amendments
- HOUSE recede from House amendments and amend as follows

Senate/House Amendments on SJ/HJ page(s) \_\_\_\_\_

- Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) \_\_\_\_\_ was placed on the Seventh order of business on the calendar

Motion Made by: Sen Heckaman Seconded by: Rep. Kelsch

Senators				Representatives			
		Yes	No			Yes	No
<u>G. Lee</u>		✓		<u>R. Kelsch</u>		✓	
<u>T. Flakoll</u>		✓		<u>D. monson</u>		✓	
<u>J. Heckaman</u>		✓		<u>P. mueller</u>		✓	

Vote Count: Yes 6 No 0 Absent 0

Senate Carrier \_\_\_\_\_ House Carrier \_\_\_\_\_

LC Number \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment Section 5 adopt

# 2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Education

Bill/Resolution No. 2150 as (re) engrossed

Date: 4-15-11

Roll Call Vote #: 4

- Action Taken**
- SENATE accede to House amendments
  - SENATE accede to House amendments and further amend
  - HOUSE recede from House amendments
  - HOUSE recede from House amendments and amend as follows

Senate/House Amendments on SJ/HJ page(s)                     --                    

- Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) \_\_\_\_\_ was placed on the Seventh order of business on the calendar

Motion Made by: Rep. Kelsch Seconded by: Sen. Heckaman

Senators	Yes	No		Representatives	Yes	No
<u>G. Lee</u>	✓			<u>R. Kelsch</u>	✓	
<u>T. Flakoll</u>	✓			<u>D. monson</u>	✓	
<u>J. Heckaman</u>	✓			<u>P. mueller</u>	✓	

Vote Count: Yes 6 No 0 Absent 0

Senate Carrier \_\_\_\_\_ House Carrier \_\_\_\_\_

LC Number \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment Section 7 adopt

# 2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Education

Bill/Resolution No. 2150 as (re) engrossed

Date: 4-15-11

Roll Call Vote #: 5

**Action Taken**

- SENATE accede to House amendments
- SENATE accede to House amendments and further amend
- HOUSE recede from House amendments
- HOUSE recede from House amendments and amend as follows

Senate/House Amendments on SJ/HJ page(s) \_\_\_\_\_

- Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) \_\_\_\_\_ was placed on the Seventh order of business on the calendar

Motion Made by: Rep. Kelsch Seconded by: Sen. Heckaman

Senators				Representatives			
		Yes	No			Yes	No
<u>G. Lee</u>		✓		<u>R. Kelsch</u>		✓	
<u>T. Flakott</u>		✓		<u>D. monson</u>		✓	
<u>J. Heckaman</u>		✓		<u>P. mueller</u>		✓	

Vote Count: Yes 6 No 0 Absent 0

Senate Carrier \_\_\_\_\_ House Carrier \_\_\_\_\_

LC Number \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment Sect. 8 adopt

# 2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Education

Bill/Resolution No. 2150 as (re) engrossed

Date: 4-15-11

Roll Call Vote #: 6

- Action Taken**
- SENATE accede to House amendments
  - SENATE accede to House amendments and further amend
  - HOUSE recede from House amendments
  - HOUSE recede from House amendments and amend as follows

Senate/House Amendments on SJ/HJ page(s) \_\_\_\_\_

- Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) \_\_\_\_\_ was placed on the Seventh order of business on the calendar

Motion Made by: Sen. Heckaman Seconded by: Rep. Kelsch

Senators				Representatives			
	Yes	No			Yes	No	
<u>G. Lee</u>	✓			<u>R. Kelsch</u>	✓		
<u>T. Flakolt</u>	✓			<u>D. monson</u>	✓		
<u>J. Heckaman</u>	✓			<u>P. mueller</u>	✓		

Vote Count: Yes 6 No 0 Absent 0

Senate Carrier \_\_\_\_\_ House Carrier \_\_\_\_\_

LC Number \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment Section 9 adopt



# 2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Education

Bill/Resolution No. 2150 as (re) engrossed

Date: 4-15-11

Roll Call Vote #: 7

- Action Taken**
- SENATE accede to House amendments
  - SENATE accede to House amendments and further amend
  - HOUSE recede from House amendments
  - HOUSE recede from House amendments and amend as follows

Senate/House Amendments on SJ/HJ page(s) \_\_\_\_\_

- Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) \_\_\_\_\_ was placed on the Seventh order of business on the calendar

Motion Made by: Rep Kelsch Seconded by: Sen G. Lee

Senators				Representatives			
		Yes	No			Yes	No
<u>G. Lee</u>		✓		<u>R. Kelsch</u>		✓	
<u>T. Flakoll</u>		✓		<u>D. monson</u>		✓	
<u>J. Heckaman</u>		✓		<u>P. mueller</u>		✓	

Vote Count: Yes 6 No 0 Absent 0

Senate Carrier \_\_\_\_\_ House Carrier \_\_\_\_\_

LC Number \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment Section 10 adopt

# 2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Education

Bill/Resolution No. 2150 as (re) engrossed

Date: 4-15-11

Roll Call Vote #: 8

**Action Taken**

- SENATE accede to House amendments
- SENATE accede to House amendments and further amend
- HOUSE recede from House amendments
- HOUSE recede from House amendments and amend as follows:

Senate/House Amendments on SJ/HJ page(s) \_\_\_\_\_

- Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) \_\_\_\_\_ was placed on the Seventh order of business on the calendar

Motion Made by: Sen. G. Lee Seconded by: Rep. Kelsch

Senators				Representatives			
		Yes	No			Yes	No
<u>G. Lee</u>		✓		<u>R. Kelsch</u>		✓	
<u>T. Flakolt</u>		✓		<u>D. monson</u>		✓	
<u>J. Heckaman</u>		✓		<u>P. mueller</u>		✓	

Vote Count: Yes 6 No 0 Absent 0

Senate Carrier \_\_\_\_\_ House Carrier \_\_\_\_\_

LC Number \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment Section 11 adopt

# 2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Education

Bill/Resolution No. 2150 as (re) engrossed

Date: \_\_\_\_\_

Roll Call Vote #: 9

- Action Taken**
- SENATE accede to House amendments
  - SENATE accede to House amendments and further amend
  - HOUSE recede from House amendments
  - HOUSE recede from House amendments and amend as follows

Senate/House Amendments on SJ/HJ page(s) \_\_\_\_\_

- Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) \_\_\_\_\_ was placed on the Seventh order of business on the calendar

Motion Made by: Rep. Kelsch Seconded by: Rep. Mueller

Senators	Yes	No		Representatives	Yes	No
<u>G. Lee</u>	✓			<u>R. Kelsch</u>	✓	
<u>T. Flakoll</u>	✓			<u>D. monson</u>	✓	
<u>J. Heckaman</u>	✓			<u>P. mueller</u>	✓	

Vote Count: Yes 6 No 0 Absent 0

Senate Carrier \_\_\_\_\_ House Carrier \_\_\_\_\_

LC Number \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Section 12 adopt

# 2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Education

Bill/Resolution No. 2150 as (re) engrossed

Date: 4-15-11

Roll Call Vote #: 10

- Action Taken**
- SENATE accede to House amendments
  - SENATE accede to House amendments and further amend
  - HOUSE recede from House amendments
  - HOUSE recede from House amendments and amend as follows

Senate/House Amendments on SJ/HJ page(s) \_\_\_\_\_

- Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) \_\_\_\_\_ was placed on the Seventh order of business on the calendar

Motion Made by: Rep. Kelsch Seconded by: Sen. Heckaman

Senators				Representatives			
		Yes	No			Yes	No
<u>G. Lee</u>		✓		<u>R. Kelsch</u>		✓	
<u>T. Flakoll</u>		✓		<u>D. monson</u>		✓	
<u>J. Heckaman</u>		✓		<u>P. mueller</u>		✓	

Vote Count: Yes 6 No 0 Absent 0

Senate Carrier \_\_\_\_\_ House Carrier \_\_\_\_\_

LC Number \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment Section 13 adopt

# 2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Education

Bill/Resolution No. 2150 as (re) engrossed

Date: 4-15-11

Roll Call Vote #: 11

- Action Taken**
- SENATE accede to House amendments
  - SENATE accede to House amendments and further amend
  - HOUSE recede from House amendments
  - HOUSE recede from House amendments and amend as follows

Senate/House Amendments on SJ/HJ page(s)                     --                    

- Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) \_\_\_\_\_ was placed on the Seventh order of business on the calendar

Motion Made by: Sen Heckaman Seconded by: Rep Kelsch

Senators	#2	#3	Yes	No		Representatives	#2	#3	Yes	No
<u>G. Lee</u>	✓		✓			<u>R. Kelsch</u>	✓		✓	
<u>T. Flakoll</u>	✓		✓			<u>D. monson</u>	✓		✓	
<u>J. Heckaman</u>	✓		✓			<u>P. mueller</u>	✓		✓	

Vote Count: Yes 6 No 0 Absent 0

Senate Carrier \_\_\_\_\_ House Carrier \_\_\_\_\_

LC Number \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Adopt Section 16

# 2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Education

Bill/Resolution No. 2150 as (re) engrossed

Date: 4-15-11

Roll Call Vote #: 17

**Action Taken**

- SENATE accede to House amendments
- SENATE accede to House amendments and further amend
- HOUSE recede from House amendments
- HOUSE recede from House amendments and amend as follows

Senate/House Amendments on SJ/HJ page(s) \_\_\_\_\_

- Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) \_\_\_\_\_ was placed on the Seventh order of business on the calendar

Motion Made by: Sen Heckaman Seconded by: Rep Kelsch

Senators				Yes	No		Representatives				Yes	No
<u>G. Lee</u>				✓			<u>R. Kelsch</u>				✓	
<u>T. Flakoll</u>				✓			<u>D. monson</u>				✓	
<u>J. Heckaman</u>				✓			<u>P. mueller</u>				✓	

Vote Count: Yes 6 No 0 Absent 0

Senate Carrier \_\_\_\_\_ House Carrier \_\_\_\_\_

LC Number \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment Adopt section 17

# 2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Education

Bill/Resolution No. 2150 as (re) engrossed

Date: 4-15-11

Roll Call Vote #: 13

- Action Taken**
- SENATE accede to House amendments
  - SENATE accede to House amendments and further amend
  - HOUSE recede from House amendments
  - HOUSE recede from House amendments and amend as follows

Senate/House Amendments on SJ/HJ page(s) \_\_\_\_\_

- Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) \_\_\_\_\_ was placed on the Seventh order of business on the calendar

Motion Made by: Sen G. Lee Seconded by: Rep Mueller

Senators				Yes	No	Representatives				Yes	No
<u>G. Lee</u>				✓		<u>R. Kelsch</u>				✓	
<u>T. Flakoll</u>				✓		<u>D. monson</u>				✓	
<u>J. Heckaman</u>				✓		<u>P. mueller</u>				✓	

Vote Count: Yes 6 No 0 Absent 0

Senate Carrier \_\_\_\_\_ House Carrier \_\_\_\_\_

LC Number \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment Adopt Section 18

# 2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Education

Bill/Resolution No. 2150 as (re) engrossed

Date: 4-15-11

Roll Call Vote #: 14

**Action Taken**

- SENATE accede to House amendments
- SENATE accede to House amendments and further amend
- HOUSE recede from House amendments
- HOUSE recede from House amendments and amend as follows

Senate/House Amendments on SJ/HJ page(s) \_\_\_\_\_

- Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) \_\_\_\_\_ was placed on the Seventh order of business on the calendar

Motion Made by: Sen. Heckaman Seconded by: Rep. Kelsch

Senators				Yes	No	Representatives				Yes	No
<u>G. Lee</u>				✓		<u>R. Kelsch</u>				✓	
<u>T. Flakoll</u>				✓		<u>D. monson</u>				✓	
<u>J. Heckaman</u>				✓		<u>P. mueller</u>				✓	

Vote Count: Yes 6 No 0 Absent 0

Senate Carrier \_\_\_\_\_ House Carrier \_\_\_\_\_

LC Number \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Adopt Section 20





# 2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Education

Bill/Resolution No. 2150 as (re) engrossed

Date: 4-15-11

Roll Call Vote #: 16

- Action Taken**
- SENATE accede to House amendments
  - SENATE accede to House amendments and further amend
  - HOUSE recede from House amendments
  - HOUSE recede from House amendments and amend as follows

Senate/House Amendments on SJ/HJ page(s) \_\_\_\_\_

- Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) \_\_\_\_\_ was placed on the Seventh order of business on the calendar

Motion Made by: Sen Heckaman Seconded by: Rep Kelsch

Senators				Representatives			
		Yes	No			Yes	No
<u>G. Lee</u>		✓		<u>R. Kelsch</u>		✓	
<u>T. Flakoll</u>		✓		<u>D. monson</u>		✓	
<u>J. Heckaman</u>		✓		<u>P. mueller</u>		✓	

Vote Count: Yes 6 No 0 Absent 0

Senate Carrier \_\_\_\_\_ House Carrier \_\_\_\_\_

LC Number \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment Adopt Section 24

# 2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Education

Bill/Resolution No. 2150 as (re) engrossed

Date: 4-15-11

Roll Call Vote #: 17

- Action Taken**
- SENATE accede to House amendments
  - SENATE accede to House amendments and further amend
  - HOUSE recede from House amendments
  - HOUSE recede from House amendments and amend as follows

Senate/House Amendments on SJ/HJ page(s) \_\_\_\_\_

- Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) \_\_\_\_\_ was placed on the Seventh order of business on the calendar

Motion Made by: Rep. Kelsch Seconded by: Rep. Monson

Senators				Yes	No	Representatives				Yes	No
<u>G. Lee</u>				✓		<u>R. Kelsch</u>				✓	
<u>T. Flakoll</u>				✓		<u>D. monson</u>				✓	
<u>J. Heckaman</u>				✓		<u>P. mueller</u>				✓	

Vote Count: Yes 6 No 0 Absent 0

Senate Carrier \_\_\_\_\_ House Carrier \_\_\_\_\_

LC Number \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment Adopt section 33

# 2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Education

Bill/Resolution No. 2150 as (re) engrossed

Date: 4-15-11

Roll Call Vote #: 18

**Action Taken**

- SENATE accede to House amendments
- SENATE accede to House amendments and further amend
- HOUSE recede from House amendments
- HOUSE recede from House amendments and amend as follows

Senate/House Amendments on SJ/HJ page(s) \_\_\_\_\_

- Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) \_\_\_\_\_ was placed on the Seventh order of business on the calendar

Motion Made by: Sen Heckaman Seconded by: Rep Kelsch

Senators				Representatives			
		Yes	No			Yes	No
<u>G. Lee</u>		✓		<u>R. Kelsch</u>		✓	
<u>T. Flakoll</u>		✓		<u>D. monson</u>		✓	
<u>J. Heckaman</u>		✓		<u>P. Mueller</u>		✓	

Vote Count: Yes 6 No 0 Absent 0

Senate Carrier \_\_\_\_\_ House Carrier \_\_\_\_\_

LC Number \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment Adopt section 34



PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2150

That the House recede from its amendments as printed on pages 1408-1442 of the Senate Journal and pages 1229-1268 of the House Journal and that Reengrossed Senate Bill No. 2150 be amended as follows:

Page 34, remove lines 11 through 31

Page 35, replace lines 1 through 21 with:

**"SECTION 29. USE OF NEW MONEY - TEACHER COMPENSATION  
INCREASES - REPORTS TO THE LEGISLATIVE MANAGEMENT.**

1. During the 2011-13 biennium, the board of each school district shall use an amount equal to at least seventy percent of all new money received by the district for per student payments to increase the compensation paid to teachers and to provide compensation to teachers who begin employment with the district on or after July 1, 2011.
2. For purposes of this section, the superintendent of public instruction shall calculate the amount of new money available during the 2011-13 biennium by:
  - a. Determining the total amount of dollars in the grants - state school aid line item in the 2011-13 appropriation bill for the superintendent of public instruction, as approved by the sixty-second legislative assembly and subtracting from that amount:
    - (1) Equity payments;
    - (2) Regional education association moneys and grants;
    - (3) PowerSchool acquisition, implementation, and utilization moneys; and
    - (4) Contingent distributions;
  - b. Determining the total amount of dollars in the grants - state school aid line item in the 2009-11 appropriation bill for the superintendent of public instruction, as approved by the sixty-first legislative assembly and subtracting from that amount:
    - (1) Equity payments;
    - (2) Regional education association moneys and grants;
    - (3) Technology support payments; and
    - (4) Contingent distributions; and
  - c. Subtracting the amount arrived at under subdivision b from the amount arrived at under subdivision a.

*and in the grants -  
supplemental operations  
line item.*

3. School districts providing educational services under a cooperative agreement approved by the superintendent of public instruction must, for purposes of this section, be treated as a single district.
4.
  - a. This section does not apply to a school district if the board of the school district, after a public hearing at which public testimony and documentary evidence are accepted, determines in its discretion and by an affirmative vote of two-thirds of the members of the board that complying with subsection 1 would place the school district in the position of having insufficient fiscal resources to meet the school district's other obligations.
  - b. Within ten days of the vote required by subdivision a, the school board shall notify the superintendent of public instruction of its action and shall file a report detailing the grounds for its determination and action.
  - c. The superintendent of public instruction shall report all notices received under this subsection to the legislative management."

Renumber accordingly





April 15, 2011

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2150

That the House recede from its amendments as printed on pages 1408-1442 of the Senate Journal and pages 1229-1268 of the House Journal and that Reengrossed Senate Bill No. 2150 be amended as follows:

Page 14, remove lines 23 through 30

Page 15, remove lines 1 through 29

Page 16, replace lines 1 through 10 with:

**"15.1-21-02.6. North Dakota scholarship - Amount - Applicability.**

1.
  - a. The state board of higher education shall provide to any student certified as being eligible by the superintendent of public instruction either a North Dakota academic scholarship or a North Dakota career and technical education scholarship in the amount of seven hundred fifty dollars for each semester during which the student is enrolled full time at an accredited institution of higher education in this state and maintains a cumulative grade point average of 2.75.
  - b. The state board of higher education shall provide to any student certified as being eligible by the superintendent of public instruction either a North Dakota academic scholarship or a North Dakota career and technical education scholarship in the amount of five hundred dollars for each quarter during which the student is enrolled full time at an accredited institution of higher education in this state and maintains a cumulative grade point average of 2.75.
2. ~~- a. If at the conclusion of the first semester of the student's first year the state board of higher education determines that the student was unable to maintain a grade point average of 2.75, the board shall forward a letter of warning to the student and articulate the consequences with respect to the student's continued eligibility for a scholarship.
  - b. If at the conclusion of the first quarter of the student's first year the state board of higher education determines that the student was unable to maintain a grade point average of 2.75, the board shall forward a letter of warning to the student and articulate the consequences with respect to the student's continued eligibility for a scholarship.~~
3. The state board shall monitor each scholarship recipient to ensure that the student meets the academic and other requirements of this section. Upon determining that a recipient student has failed to meet the requirements of this section, the board shall provide notification to the student within ten days.
4. A student is not entitled to receive more than six thousand dollars under this section.

5. The state board of higher education shall forward the scholarship directly to the institution in which the student is enrolled.
6. a. (1) This section does not require a student to be enrolled in consecutive semesters.  
(2) This section does not require a student to be enrolled in consecutive quarters.  
b. However, a scholarship under this section is valid only for six academic years after the student's graduation from high school and may not be applied to graduate programs.
7. A scholarship under this section is available to any eligible student who graduates from a high school in this state or from a high school in a bordering state under chapter 15.1-29.
8. For purposes of North Dakota scholarship eligibility under this section, "full-time" means enrollment in at least twelve credits during a student's first two semesters and enrollment in at least fifteen credits during each semester thereafter or enrollment in the equivalent number of credits, as determined by the state board of higher education, with respect to students in a quarter system."

Renumber accordingly



April 15, 2011

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2150

That the House recede from its amendments as printed on pages 1408-1442 of the Senate Journal and pages 1229-1268 of the House Journal and that Reengrossed Senate Bill No. 2150 be amended as follows:

Page 1, line 2, replace "two" with "three"

Page 16, after line 10, insert:

"SECTION 15. A new section to chapter 15.1-21 of the North Dakota Century Code is created and enacted as follows:

**North Dakota scholarship - Eligibility - One-time exception.**

1. a. Notwithstanding section 15.1-21-02.6, if a student's cumulative grade point average as determined by the state board of higher education at the conclusion of a semester is below 2.75, the board shall grant an exception and provide the North Dakota scholarship to which the student would otherwise be entitled for the next semester in which the student is enrolled full time. The exception provided by this section is applicable to a student only one time.
- b. If a student's cumulative grade point average as determined by the state board of higher education at the conclusion of a semester is below 2.75 for a second time, the student is no longer eligible to receive any additional North Dakota academic or career and technical education scholarships.
2. a. Notwithstanding section 15.1-21-02.6, if a student's cumulative grade point average as determined by the state board of higher education at the conclusion of a quarter is below 2.75, the board shall grant an exception and provide the North Dakota scholarship to which the student would otherwise be entitled for the next quarter in which the student is enrolled full time. The exception provided by this section is applicable to a student only one time.
- b. If a student's cumulative grade point average as determined by the state board of higher education at the conclusion of a quarter is below 2.75 for a second time, the student is no longer eligible to receive any additional North Dakota academic or career and technical education scholarships."

Page 36, line 21, replace "21" with "22"

Renumber accordingly



# 2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Education

Bill/Resolution No. 2150 as (re) engrossed

Date: 4-18-11

Roll Call Vote #: 25

- Action Taken**
- SENATE accede to House amendments
  - SENATE accede to House amendments and further amend
  - HOUSE recede from House amendments
  - HOUSE recede from House amendments and amend as follows

Senate/House Amendments on SJ/HJ page(s) \_\_\_\_\_

- Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) \_\_\_\_\_ was placed on the Seventh order of business on the calendar

Motion Made by: Sen. Flakoll Seconded by: Rep. Kelsch

Senators				Representatives			
	#	Yes	No		#	Yes	No
L. Freborg	✓	✓		R. Kelsch	✓	✓	
T. Flakoll	✓	✓		D. monson	✓	✓	
J. Heckaman	✓	✓		P. Mueller	✓	✓	

Vote Count: Yes 6 No 0 Absent 0

Senate Carrier \_\_\_\_\_ House Carrier \_\_\_\_\_

LC Number \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment Section adopt: 50

# 2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Education

Bill/Resolution No. 2150 as (re) engrossed

Date: 4-18-11

Roll Call Vote #: 26

- Action Taken**
- SENATE accede to House amendments
  - SENATE accede to House amendments and further amend
  - HOUSE recede from House amendments
  - HOUSE recede from House amendments and amend as follows

Senate/House Amendments on SJ/HJ page(s) \_\_\_\_\_

- Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) \_\_\_\_\_ was placed on the Seventh order of business on the calendar

Motion Made by: Sen. Flakoll Seconded by: Rep. Kelsch

Senators				Representatives			
		Yes	No			Yes	No
L. Freborg		✓		R. Kelsch		✓	
T. Flakoll		✓		D. monson		✓	
J. Heckaman		✓		P. mueller		✓	

Vote Count: Yes 6 No 0 Absent 0

Senate Carrier \_\_\_\_\_ House Carrier \_\_\_\_\_

LC Number \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment Adopt Section 48

# 2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Education

Bill/Resolution No. 2150 as (re) engrossed

Date: 4-18-11

Roll Call Vote #: 27

- Action Taken**
- SENATE accede to House amendments
  - SENATE accede to House amendments and further amend
  - HOUSE recede from House amendments
  - HOUSE recede from House amendments and amend as follows

Senate/House Amendments on SJ/HJ page(s) \_\_\_\_\_

- Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) \_\_\_\_\_ was placed on the Seventh order of business on the calendar

Motion Made by: Sen. Flakoll Seconded by: Rep Kelsch

Senators	Yes	No			Representatives	Yes	No
L. Freborg	✓				R. Kelsch	✓	
T. Flakoll	✓				D. monson	✓	
J. Heckaman	✓				P. mueller	✓	

Vote Count: Yes 6 No 0 Absent 0

Senate Carrier \_\_\_\_\_ House Carrier \_\_\_\_\_

LC Number \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment Adopt Section 6





# 2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Education

Bill/Resolution No. 2150 as (re) engrossed

Date: 4-18-11

Roll Call Vote #: 29

- Action Taken**
- SENATE accede to House amendments
  - SENATE accede to House amendments and further amend
  - HOUSE recede from House amendments
  - HOUSE recede from House amendments and amend as follows

Senate/House Amendments on SJ/HJ page(s) \_\_\_\_\_

- Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) \_\_\_\_\_ was placed on the Seventh order of business on the calendar

Motion Made by: Rep Kelsch Seconded by: Rep Mueller

Senators				Yes	No		Representatives				Yes	No
L. Freborg				✓			R. Kelsch				✓	
T. Flakoll				✓			D. monson				✓	
J. Heckaman				✓			P. mueller				✓	

Vote Count: Yes 6 No 0 Absent 0

Senate Carrier \_\_\_\_\_ House Carrier \_\_\_\_\_

LC Number \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment Adopt Section 49



April 18, 2011

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2150

That the House recede from its amendments as printed on pages 1408-1442 of the Senate Journal and pages 1229-1268 of the House Journal and that Reengrossed Senate Bill No. 2150 be amended as follows:

Page 1, line 1, after "chapter" insert "6-09, a new section to chapter"

Page 1, line 3, after "to" insert "required transfers for special education contract costs,"

Page 1, after line 14, insert:

"**SECTION 1.** A new section to chapter 6-09 of the North Dakota Century Code is created and enacted as follows:

**Required transfer - Special education contract costs.**

If the industrial commission is notified by the superintendent of public instruction that, using all available sources, there are insufficient moneys with which to fully reimburse school districts for the excess costs of serving the one percent of special education students statewide who require the greatest school district expenditures in order to be provided with special education and related services, the industrial commission shall transfer from the earnings and accumulated and undivided profits of the Bank of North Dakota the amount that the superintendent of public instruction certifies is necessary to provide the statutorily required level of reimbursement. The superintendent of public instruction shall file for introduction legislation requesting that the ensuing legislative assembly return any amount transferred under this section to the Bank of North Dakota."

Page 35, remove lines 28 through 31

Page 36, remove lines 1 through 7

Page 36, line 21, replace "21" with "22"

Renumber accordingly



# 2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Education

Bill/Resolution No. 2150 as (re) engrossed

Date: 4-18-11

Roll Call Vote #: 32

**Action Taken**

- SENATE accede to House amendments
- SENATE accede to House amendments and further amend
- HOUSE recede from House amendments
- HOUSE recede from House amendments and amend as follows

Senate/House Amendments on SJ/HJ page(s) \_\_\_\_\_

- Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) \_\_\_\_\_ was placed on the Seventh order of business on the calendar

Motion Made by: Sen. Flakoll Seconded by: Rep. Kelsch

Senators	Yes	No		Representatives	Yes	No
L. Freborg	✓			R. Kelsch	✓	
T. Flakoll	✓			D. monson	✓	
J. Heckaman	✓			P. Mueller	✓	

Vote Count: Yes 6 No 0 Absent 0

Senate Carrier \_\_\_\_\_ House Carrier \_\_\_\_\_

LC Number \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment Adopt Sect. 19

# 2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Education

Bill/Resolution No. 2150 as (re) engrossed

Date: 4-18-11

Roll Call Vote #: 33

- Action Taken**
- SENATE accede to House amendments
  - SENATE accede to House amendments and further amend
  - HOUSE recede from House amendments
  - HOUSE recede from House amendments and amend as follows

Senate/House Amendments on SJ/HJ page(s) \_\_\_\_\_

- Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) \_\_\_\_\_ was placed on the Seventh order of business on the calendar

Motion Made by: Rep. Monson Seconded by: Rep. Mueller

Senators				Yes	No	Representatives				Yes	No
					✓						✓
					✓					✓	
					✓					✓	

Vote Count: Yes 2 No 4 Absent 0

Senate Carrier \_\_\_\_\_ House Carrier \_\_\_\_\_

LC Number \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Adopt Section 40

# 2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Education

Bill/Resolution No. 2150 as (re) engrossed

Date: 4-18-11

Roll Call Vote #: 34

- Action Taken**
- SENATE accede to House amendments
  - SENATE accede to House amendments and further amend
  - HOUSE recede from House amendments
  - HOUSE recede from House amendments and amend as follows

Senate/House Amendments on SJ/HJ page(s) \_\_\_\_\_

- Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) \_\_\_\_\_ was placed on the Seventh order of business on the calendar

Motion Made by: Rep Kelsch Seconded by: Rep Monson

Senators	Yes	No		Representatives	Yes	No
L. Freborg	✓			R. Kelsch	✓	
T. Flakoll	✓			D. monson	✓	
J. Heckaman	✓			P. mueller	✓	

Vote Count: Yes 6 No 0 Absent 0

Senate Carrier \_\_\_\_\_ House Carrier \_\_\_\_\_

LC Number \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Adopt Sect. 35



# 2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Education

Bill/Resolution No. 2150 as (re) engrossed

Date: 4-18-11

Roll Call Vote #: 35

- Action Taken**
- SENATE accede to House amendments
  - SENATE accede to House amendments and further amend
  - HOUSE recede from House amendments
  - HOUSE recede from House amendments and amend as follows

Senate/House Amendments on SJ/HJ page(s) \_\_\_\_\_

- Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) \_\_\_\_\_ was placed on the Seventh order of business on the calendar

Motion Made by: Rep. Monson Seconded by: Rep Mueller

Senators				Yes	No	Representatives				Yes	No
				✓						✓	
				✓						✓	
				✓						✓	

Vote Count: Yes 6 No 0 Absent 0

Senate Carrier \_\_\_\_\_ House Carrier \_\_\_\_\_

LC Number \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment Adopt. Sect. 36

April 18, 2011

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2150

That the House recede from its amendments as printed on pages 1408-1442 of the Senate Journal and pages 1229-1268 of the House Journal and that Reengrossed Senate Bill No. 2150 be amended as follows:

Page 1, line 2, remove "and"

Page 1, line 2, after "15.1-21" insert ", and a new section to chapter 15.1-27"

Page 1, line 4, remove the first "and"

Page 1, line 4, after "scholarships" insert ", and additional distributions"

Page 32, after line 7, insert:

"SECTION 26. A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Distribution of remaining moneys.**

If any money remains in the grants - state aid line item after the superintendent complies with all statutory payment obligations imposed for a biennium, the superintendent shall use the remaining moneys to provide additional per student payments on a prorated basis according to the latest available average daily membership of each school district."

Page 35, remove lines 22 through 27

Renumber accordingly





April 18, 2011

**PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2150**

That the House recede from its amendments as printed on pages 1408-1442 of the Senate Journal and pages 1229-1268 of the House Journal and that Reengrossed Senate Bill No. 2150 be amended as follows:

Page 1, line 12, after the comma insert "alternative middle school grants,"

Page 34, after line 10, insert:

**"SECTION 29. ALTERNATIVE MIDDLE SCHOOL - GRANTS.**

1. During the second year of the 2011-13 biennium, the superintendent of public instruction shall expend up to \$300,000 from the grants - other grants line item in the appropriation bill for the superintendent of public instruction, as approved by the sixty-second legislative assembly, for the purpose of providing a grant to any school district that offers an alternative education program for students enrolled in grades six through eight.
2. In order to determine the amount that a school district may receive under this section, the superintendent of public instruction shall multiply by a factor of .15 the number of students in grades six through eight who are enrolled in an alternative education program for at least fifteen hours per week.
3. If the expenditure authorized in this section is insufficient for providing grants to all eligible school districts, the superintendent of public instruction shall prorate the grants based on the percentage of the total to which each school district is entitled."

Renumber accordingly



PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2150

That the House recede from its amendments as printed on pages 1408-1442 of the Senate Journal and pages 1229-1268 of the House Journal and that Reengrossed Senate Bill No. 2150 be amended as follows:

Page 34, remove lines 11 through 31

Page 35, replace lines 1 through 21 with:

**"SECTION 29. USE OF NEW MONEY - TEACHER COMPENSATION  
INCREASES - REPORTS TO THE LEGISLATIVE MANAGEMENT.**

1. During the 2011-13 biennium, the board of each school district shall use an amount equal to at least seventy percent of all new money received by the district for per student payments to increase the compensation paid to teachers and to provide compensation to teachers who begin employment with the district on or after July 1, 2011.
2. For purposes of this section, the superintendent of public instruction shall calculate the amount of new money available during the 2011-13 biennium by:
  - a. Determining the total amount of dollars in the grants - state school aid line item in the 2011-13 appropriation bill for the superintendent of public instruction, as approved by the sixty-second legislative assembly and subtracting from that amount:
    - (1) Equity payments;
    - (2) Regional education association moneys and grants;
    - (3) PowerSchool acquisition, implementation, and utilization moneys; and
    - (4) Contingent distributions;
  - b. Determining the total amount of dollars in the grants - state school aid line item in the 2009-11 appropriation bill for the superintendent of public instruction, as approved by the sixty-first legislative assembly and subtracting from that amount:
    - (1) Equity payments;
    - (2) Regional education association moneys and grants;
    - (3) Technology support payments; and
    - (4) Contingent distributions; and
  - c. Subtracting the amount arrived at under subdivision b from the amount arrived at under subdivision a.

3. School districts providing educational services under a cooperative agreement approved by the superintendent of public instruction must, for purposes of this section, be treated as a single district.
4.
  - a. This section does not apply to a school district if the board of the school district, after a public hearing at which public testimony and documentary evidence are accepted, determines in its discretion and by an affirmative vote of two-thirds of the members of the board that complying with subsection 1 would place the school district in the position of having insufficient fiscal resources to meet the school district's other obligations.
  - b. Within ten days of the vote required by subdivision a, the school board shall notify the superintendent of public instruction of its action and shall file a report detailing the grounds for its determination and action.
  - c. The superintendent of public instruction shall report all notices received under this subsection to the legislative management."

Renumber accordingly

#2



# 2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Education

Bill/Resolution No. 2150 as (re) engrossed

Date: 4-16-11

Roll Call Vote #: 20

- Action Taken**
- SENATE accede to House amendments
  - SENATE accede to House amendments and further amend
  - HOUSE recede from House amendments
  - HOUSE recede from House amendments and amend as follows

Senate/House Amendments on SJ/HJ page(s) \_\_\_\_\_

- Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) \_\_\_\_\_ was placed on the Seventh order of business on the calendar

Motion Made by: Rep. Kelsch Seconded by: Rep. Mueller

Senators				Representatives			
		Yes	No			Yes	No
<u>G. Lee</u>		✓		<u>R. Kelsch</u>		✓	
<u>T. Flakoll</u>		✓		<u>D. monson</u>		✓	
<u>J. Heckaman</u>		✓		<u>P. mueller</u>		✓	

Vote Count: Yes 6 No 0 Absent 0

Senate Carrier \_\_\_\_\_ House Carrier \_\_\_\_\_

LC Number 11.0208 . 07042 of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

money. Teacher Compensation Increases

*use of new*

April 15, 2011

**PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2150**

That the House recede from its amendments as printed on pages 1408-1442 of the Senate Journal and pages 1229-1268 of the House Journal and that Reengrossed Senate Bill No. 2150 be amended as follows:

Page 1, line 13, remove the second "and"

Page 1, line 13, after "date" insert "; and to declare an emergency"

Page 36, after line 19, insert:

**"SECTION 34. EDUCATION FUNDING AND TAXATION COMMITTEE -  
STUDY.**

1. The education funding and taxation committee consists of:
  - a. The following eight voting members:
    - (1) The house majority leader or the leader's designee selected from among the members of the house education committee or the house finance and taxation committee;
    - (2) The house minority leader or the leader's designee selected from among the members of the house education committee or the house finance and taxation committee;
    - (3) The senate majority leader or the leader's designee selected from among the members of the senate education committee or the senate finance and taxation committee;
    - (4) The senate minority leader or the leader's designee selected from among the members of the senate education committee or the senate finance and taxation committee;
    - (5) The chairman of the house education committee, or the chairman's designee;
    - (6) The chairman of the house finance and taxation committee, or the chairman's designee;
    - (7) The chairman of the senate education committee, or the chairman's designee; and
    - (8) The chairman of the senate finance and taxation committee, or the chairman's designee; and
  - b. The following five nonvoting members:
    - (1) The tax commissioner or the commissioner's designee;
    - (2) The superintendent of public instruction or the superintendent's designee;
    - (3) A representative of the governor, selected by the governor; and

- (4) Two school district business managers, appointed by the legislative management.
2. The chairman of the legislative management shall select one from among the voting members to serve as the chairman of the committee.
3. The committee shall operate according to the statutes and procedure governing the operation of other legislative management interim committees.
4. The committee shall examine short-term and longer-term state and local involvement in funding elementary and secondary education. The committee shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the legislative management."

Page 36, after line 21, insert:

**"SECTION 37. EMERGENCY.** Section 34 of this Act is declared to be an emergency measure."

Renumber accordingly



PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2150

That the House recede from its amendments as printed on pages 1408-1442 of the Senate Journal and pages 1229-1268 of the House Journal and that Reengrossed Senate Bill No. 2150 be amended as follows:

Page 1, line 6 after "15.1-22-01" insert ", 15.1-22-02"

Page 18, remove lines 29 and 30

Page 19, replace lines 1 through 10 with:

**"SECTION 19. AMENDMENT.** Section 15.1-22-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-22-01. Kindergarten - Establishment by board - Request by parent - Levy.**

1. ~~Upon its own motion, the~~The board of a school district ~~may establish a free public kindergarten.~~
2. ~~If the board receives a written request to provide kindergarten from the parent of a student who will be enrolled in the kindergarten, the board shall either provide at least a half-day kindergarten program for the~~any student enrolled in the district or pay the tuition required for the student to attend at ~~least a half-day~~ kindergarten program in another school district.
- ~~3-2.~~ The board of a school district that establishes a kindergarten under this section may levy a tax pursuant to subdivision p of subsection 1 of section 57-15-14.2.

**SECTION 20. AMENDMENT.** Section 15.1-22-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-22-02. Public kindergarten - Requirements.**

A school district operating a kindergarten:

1. May not employ an individual as a kindergarten teacher unless the individual is licensed to teach by the education standards and practices board or approved by the education standards and practices board;
2. Shall submit to the superintendent of public instruction and follow a developmentally appropriate curriculum;
3. Shall provide ~~at least the equivalent of thirty full days of~~kindergarten instruction, on a half-day or full-day basis, as determined by the school board;
4. Shall provide for a kindergarten instructional calendar equal to at least fifty percent of the full-time instructional days required in accordance with section 15.1-06-04;

5. Shall apply all municipal and state health, fire, and safety requirements to the kindergarten; and
- 5.6. May not enroll a child who is not five years old before August first of the year of enrollment, unless the child will be five years old before December first and:
  - a. The child, by means of developmental and readiness screening instruments approved by the superintendent of public instruction and administered by the kindergarten operator, can demonstrate academic, social, and emotional readiness; or
  - b. The child has been enrolled in another approved kindergarten."

Page 36, line 21, replace "21" with "22"

Renumber accordingly

# 2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Education

Bill/Resolution No. 2150 as (re) engrossed

Date: 4-19-11

Roll Call Vote #: 39

- Action Taken**
- SENATE accede to House amendments
  - SENATE accede to House amendments and further amend
  - HOUSE recede from House amendments
  - HOUSE recede from House amendments and amend as follows

Senate/House Amendments on SJ/HJ page(s) ..

- Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) 2150 was placed on the Seventh order of business on the calendar

Motion Made by: Rep Mueller Seconded by: Sen. Heckaman

Senators				Yes	No	Representatives				Yes	No
L. Freborg					✓	R. Kelsch				✓	
T. Flakoll				✓		D. Monson				✓	
J. Heckaman				✓		P. Mueller				✓	

Vote Count: Yes 5 No 1 Absent 0

Senate Carrier \_\_\_\_\_ House Carrier \_\_\_\_\_

LC Number 11.0208 . 07043 of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment reimbursement between school districts for kindergarten.





PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2150

That the House recede from its amendments as printed on pages 1408-1442 of the Senate Journal and pages 1229-1268 of the House Journal and that Reengrossed Senate Bill No. 2150 be amended as follows:

Page 1, line 10, after "provide insert "an appropriation; to provide"

Page 32, after line 22, insert:

**"SECTION 27. APPROPRIATION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of ~~\$400,000~~ <sup>\$625,000</sup> or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of supporting the gearing up for kindergarten program provided by the North Dakota state university extension service, for the biennium beginning July 1, 2011, and ending June 30, 2013. <sup>①</sup> *The North Dakota state university*

Renumber accordingly

*extension service may use up to  
\$125,000 of the amount appropriated  
for administrative purposes.*

# 2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Education

Bill/Resolution No. 2150 as (re) engrossed

Date: 4-19-11

Roll Call Vote #: 41

- Action Taken**
- SENATE accede to House amendments
  - SENATE accede to House amendments and further amend
  - HOUSE recede from House amendments
  - HOUSE recede from House amendments and amend as follows

Senate/House Amendments on SJ/HJ page(s) -

- Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) \_\_\_\_\_ was placed on the Seventh order of business on the calendar

Motion Made by: Rep. Kelsch Seconded by: Sen. Flakoll

Senators				Representatives			
	#	Yes	No		#	Yes	No
L. Freborg	✓	✓		R. Kelsch	✓	✓	
T. Flakoll	✓	✓		D. monson	✓	✓	
J. Heckaman	✓	✓		P. Mueller	✓	✓	

Vote Count: Yes 6 No 0 Absent 0

Senate Carrier \_\_\_\_\_ House Carrier \_\_\_\_\_

LC Number 11.0208 of amendment 07050

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment <sup>§</sup> add 625,000 for "Gearing up for Kindergarten" program. Inc. written language.

# 2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Education

Bill/Resolution No. 2150 as (re) engrossed

Date: 4-19-11

Roll Call Vote #: 42

- Action Taken**
- SENATE accede to House amendments
  - SENATE accede to House amendments and further amend
  - HOUSE recede from House amendments
  - HOUSE recede from House amendments and amend as follows

Senate/House Amendments on SJ/HJ page(s) \_\_\_\_\_

- Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) \_\_\_\_\_ was placed on the Seventh order of business on the calendar

Motion Made by: Sen. Flakoll Seconded by: Rep. Mueller

Senators				Representatives			
		Yes	No			Yes	No
L. Freborg		✓		R. Kelsch			✓
T. Flakoll		✓		D. monson			✓
J. Heckaman			✓	P. Mueller		✓	

Vote Count: Yes 3 No 3 Absent 0

Senate Carrier \_\_\_\_\_ House Carrier \_\_\_\_\_

LC Number \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment adopt section 3

2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Education

Bill/Resolution No. 2150 as (re) engrossed

Date: 4-19-11

Roll Call Vote #: 43

Action Taken

- SENATE accede to House amendments
- SENATE accede to House amendments and further amend
- HOUSE recede from House amendments
- HOUSE recede from House amendments and amend as follows

Senate/House Amendments on SJ/HJ page(s) ..

- Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) \_\_\_\_\_ was placed on the Seventh order of business on the calendar

Motion Made by: Sen. Flakoll Seconded by: Rep. Kelsch

Senators				Yes	No	Representatives				Yes	No
L. Freborg				✓		R. Kelsch				✓	
T. Flakoll				✓		D. monson				✓	
J. Heckaman				✓		P. mueller				✓	

Vote Count: Yes 6 No 0 Absent 0

Senate Carrier \_\_\_\_\_ House Carrier \_\_\_\_\_

LC Number \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment adopt Section 23

April 19, 2011

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2150

That the House recede from its amendments as printed on pages 1408-1442 of the Senate Journal and pages 1229-1268 of the House Journal and that Reengrossed Senate Bill No. 2150 be amended as follows:

Page 1, line 6, after the third comma insert "15.1-27-03,"

Page 19, after line 10, insert:

**"SECTION 20. AMENDMENT.** Section 15.1-27-03 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-03. Cost of education - Determination.**

1. The superintendent of public instruction shall determine the educational cost per student.
2. In determining the educational cost per student, the superintendent may not use:
  - a. Capital outlay for buildings;
  - b. Capital outlay for sites;
  - c. Capital outlay for debt service;
  - d. Expenditures for school activities;
  - e. Expenditures for school lunch programs;
  - f. Expenditures for transportation costs, including schoolbuses; or
  - g. Expenditures for early childhood education."

Page 36, line 21, replace "21" with "22"

Renumber accordingly



April 18, 2011

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2150

That the House recede from its amendments as printed on pages 1408-1442 of the Senate Journal and pages 1229-1268 of the House Journal and that Reengrossed Senate Bill No. 2150 be amended as follows:

Page 1, line 2, remove "and"

Page 1, line 2, after "15.1-21" insert ", and a new section to chapter 15.1-27"

Page 1, line 4, remove "and"

Page 1, line 4, after "scholarships" insert ", and weighting factors"

Page 26, after line 29, insert:

"**SECTION 22.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Weighted average daily membership - Determination - Additional factors.**

In addition to the factors set forth in section 15.1-27-03.1, beginning with the 2013-14 school year, the superintendent of public instruction shall multiply by .15 the number of full-time equivalent students in grades six through eight who are enrolled in an alternative education program for at least an average of fifteen hours per week."

Renumber accordingly





# 2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Education

Bill/Resolution No. 2150 as (re) engrossed

Date: 4-20-11

Roll Call Vote #: 46

**Action Taken**

- SENATE accede to House amendments
- SENATE accede to House amendments and further amend
- HOUSE recede from House amendments
- HOUSE recede from House amendments and amend as follows

Senate/House Amendments on SJ/HJ page(s) \_\_\_\_\_

- Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) \_\_\_\_\_ was placed on the Seventh order of business on the calendar

Motion Made by: Sen. Flakoll Seconded by: Sen. Heckaman

*failed*

Senators				Yes	No		Representatives				Yes	No
L. Freborg				✓			R. Kelsch					✓
T. Flakoll				✓			D. monson					✓
J. Heckaman				✓			P. mueller					✓

Vote Count: Yes 3 No 3 Absent 0

Senate Carrier \_\_\_\_\_ House Carrier \_\_\_\_\_

LC Number \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment Senate version of Section 9  
ages 6-17; mandatory Kindergarten

April 18, 2011

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2150

That the House recede from its amendments as printed on pages 1408-1442 of the Senate Journal and pages 1229-1268 of the House Journal and that Reengrossed Senate Bill No. 2150 be amended as follows:

Page 32, remove lines 23 through 29

Page 33, replace lines 1 through 13 with:

**"SECTION 27. ISOLATED SCHOOLS - TRANSITION PAYMENTS.**

1. If during the 2010-11 school year a school district received payments as a result of section 15.1-27-15, as the section existed on June 30, 2011, and if that district is not eligible for the factor established under subdivision j of subsection 1 of section 15.1-27-03.1, the district is entitled to the following transition payments:
  - a. For the 2011-12 and 2012-13 school years, an amount equal to that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011;
  - b. For the 2013-14 school year, an amount equal to seventy-five percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011;
  - c. For the 2014-15 school year, an amount equal to fifty percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011; and
  - d. For the 2015-16 school year, an amount equal to twenty-five percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011.
2. Upon the closure of a school that met the definition of isolated under section 15.1-27-15, as it existed on June 30, 2011, the superintendent of public instruction shall cease to provide to the district the transition payments established under subsection 1."

Renumber accordingly



April 18, 2011

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2150

That the House recede from its amendments as printed on pages 1408-1442 of the Senate Journal and pages 1229-1268 of the House Journal and that Reengrossed Senate Bill No. 2150 be amended as follows:

Page 1, line 2, remove "and"

Page 1, line 2, after "15.1-21" insert ", and a new section to chapter 15.1-27"

Page 1, line 4, remove "and"

Page 1, line 4, after "scholarships" insert ", and weighting factors"

Page 26, after line 29, insert:

"SECTION 22. A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Weighted average daily membership - Determination - Additional factors.**

In addition to the factors set forth in section 15.1-27-03.1, beginning with the 2013-14 school year, the superintendent of public instruction shall multiply by .15 the number of full-time equivalent students in grades six through eight who are enrolled in an alternative education program for at least an average of fifteen hours per week."

Renumber accordingly

Sunset June 30, 2015



PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2150

That the House recede from its amendments as printed on pages 1408-1442 of the Senate Journal and pages 1229-1268 of the House Journal and that Reengrossed Senate Bill No. 2150 be amended as follows:

Page 2, remove lines 21 through 30

Page 3, replace lines 1 through 7 with:

**"SECTION 2. AMENDMENT.** Section 15.1-09-58 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-09-58. ~~Prekindergarten~~ Early childhood education program -  
Authorization - Support.**

1. The board of a school district may establish ~~a prekindergarten~~ an early childhood education program and may receive and expend any state moneys specifically appropriated for the program, any federal funds specifically appropriated or approved for the program, and any gifts, grants, and donations specifically given for the program.
2. The board of a school district may not expend any local tax revenues for an early childhood education program, unless:
  - a. At each annual school district election, the question of expending local tax revenues to support an early childhood education program for the coming school calendar or school year is placed before and approved by a majority of the qualified voters of the district; and
  - b. The board determines that the district has sufficient local tax revenues to support an early childhood program, for the duration of the school calendar or school year, without affecting any statutory duties or board commitments regarding the provision of a kindergarten program or the provision of elementary and secondary education services.
3. Any individual hired by the board of a school district to teach in an early childhood education program is subject to the terms of an employment contract that may have a duration of no more than one school calendar or school year. Chapters 15.1-15 and 15.1-16 do not apply to the position."

Renumber accordingly

(Failed)

# 2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Education

Bill/Resolution No. 2150 as (re) engrossed

Date: 4-21-11

Roll Call Vote #: 49

- Action Taken**
- SENATE accede to House amendments
  - SENATE accede to House amendments and further amend
  - HOUSE recede from House amendments
  - HOUSE recede from House amendments and amend as follows

Senate/House Amendments on SJ/HJ page(s) \_\_\_\_\_

- Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) \_\_\_\_\_ was placed on the Seventh order of business on the calendar

Motion Made by: Rep. Monson Seconded by: Sen. Flakoll

Senators				Yes	No	Representatives				Yes	No
					✓						✓
					✓					✓	
					✓					✓	

Vote Count: Yes 2 No 4 Absent 0

Senate Carrier \_\_\_\_\_ House Carrier \_\_\_\_\_

LC Number 11.0208. 07053 of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment Early childhood program - election by people every yr. to offer it.

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2150

That the House recede from its amendments as printed on pages 1408-1442 of the Senate Journal and pages 1229-1268 of the House Journal and that Reengrossed Senate Bill No. 2150 be amended as follows:

Page 1, line 10, after "provide" insert "an appropriation; to provide"

Page 33, after line 13, insert:

**"SECTION 28. APPROPRIATION - SCHOOL DISTRICT RAPID ENROLLMENT GROWTH - GRANTS.** There is appropriated out of any moneys in the oil and gas impact grant fund in the state treasury, not otherwise appropriated, the sum of \$5,000,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of providing a grant to any school district that can demonstrate rapid enrollment growth, for the biennium beginning July 1, 2011, and ending June 30, 2013.

1. If the number of full-time equivalent students enrolled in a school district has increased by at least seven percent annually and if that increase is equal to at least twenty-five full-time equivalent students, as demonstrated by the district's September tenth fall enrollment report, the district is entitled to receive a grant equal to the per student payment provided for in section 15.1-27-04 multiplied by the actual increase in its full-time equivalent student enrollment.
2. If the amount of the appropriation provided for in this section is insufficient to meet the obligations of this section, the superintendent of public instruction shall prorate the payment based on the percentage of the total amount to which each school district is entitled.
3. The superintendent of public instruction may not expend more than \$2,500,000 in grants under this section during the first year of the biennium.
4. Any district that is precluded from receiving state aid under section 15.1-27-35.3 is not eligible to receive a grant under this section."

Renumber accordingly

\$ 2.5M out of 35%  
\$ 2.5M out of 65%



# 2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Education

Bill/Resolution No. 2150 as (re) engrossed

Date: 4-21-11

Roll Call Vote #: 50

- Action Taken**
- SENATE accede to House amendments
  - SENATE accede to House amendments and further amend
  - HOUSE recede from House amendments
  - HOUSE recede from House amendments and amend as follows

Senate/House Amendments on SJ/HJ page(s)                     --                    

- Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) 2150 was placed on the Seventh order of business on the calendar

Motion Made by: Rep. Kelsch Seconded by: Rep. Monson

Senators				Yes	No	Representatives				Yes	No
L. Freborg				✓		R. Kelsch				✓	
T. Flakoll					✓	D. Monson				✓	
J. Heckaman				✓		P. Mueller					✓

Vote Count: Yes 4 No 2 Absent 0

Senate Carrier \_\_\_\_\_ House Carrier \_\_\_\_\_

LC Number 11. 0208 . 07054 of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment *Rapid growth schools - take \$5M from Oil Impact Fund. \$100M \$2.5M out of 35% \$2.5M out of 65%*

# 2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Education

Bill/Resolution No. 2150 as (re) engrossed

Date: 4-21-11

Roll Call Vote #: 51

- Action Taken**
- SENATE accede to House amendments
  - SENATE accede to House amendments and further amend
  - HOUSE recede from House amendments
  - HOUSE recede from House amendments and amend as follows

Senate/House Amendments on SJ/HJ page(s) \_\_\_\_\_

- Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) \_\_\_\_\_ was placed on the Seventh order of business on the calendar

Motion Made by: Sen. Heckaman Seconded by: Rep. Kelsch

Senators	#	Yes	No	Representatives	#	Yes	No
L. Freborg	✓		✓	R. Kelsch	✓	✓	
T. Flakoll	✓		✓	D. monson	✓	✓	
J. Heckaman	✓	✓		P. mueller	✓	✓	

*failed*

Vote Count: Yes 4 No 2 Absent 0

Senate Carrier \_\_\_\_\_ House Carrier \_\_\_\_\_

LC Number \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment Adopt Sections 25-32 and 41

April 15, 2011

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2150

That the House recede from its amendments as printed on pages 1408-1442 of the Senate Journal and pages 1229-1268 of the House Journal and that Reengrossed Senate Bill No. 2150 be amended as follows:

Page 1, line 13, remove the second "and"

Page 1, line 13, after "date" insert "; and to declare an emergency"

Page 36, after line 19, insert:

**"SECTION 34. EDUCATION FUNDING AND TAXATION COMMITTEE -  
STUDY.**

1. The education funding and taxation committee consists of:
  - a. The following eight voting members:
    - (1) The house majority leader or the leader's designee selected from among the members of the house education committee or the house finance and taxation committee;
    - (2) The house minority leader or the leader's designee selected from among the members of the house education committee or the house finance and taxation committee;
    - (3) The senate majority leader or the leader's designee selected from among the members of the senate education committee or the senate finance and taxation committee;
    - (4) The senate minority leader or the leader's designee selected from among the members of the senate education committee or the senate finance and taxation committee;
    - (5) The chairman of the house education committee, or the chairman's designee;
    - (6) The chairman of the house finance and taxation committee, or the chairman's designee;
    - (7) The chairman of the senate education committee, or the chairman's designee; and
    - (8) The chairman of the senate finance and taxation committee, or the chairman's designee; and
  - b. ~~The following five nonvoting members:~~
    - (1) ~~The tax commissioner or the commissioner's designee;~~
    - (2) ~~The superintendent of public instruction or the superintendent's designee;~~
    - (3) ~~A representative of the governor, selected by the governor; and~~

*delete b.  
#1-4*

(4) ~~Two school district business managers, appointed by the legislative management.~~

2. The chairman of the legislative management shall select one from among the voting members to serve as the chairman of the committee.
3. The committee shall operate according to the statutes and procedure governing the operation of other legislative management interim committees.
4. The committee shall examine short-term and longer-term state and local involvement in funding elementary and secondary education. The committee shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the legislative management."

Page 36, after line 21, insert:

**"SECTION 37. EMERGENCY.** Section 34 of this Act is declared to be an emergency measure."

Renumber accordingly

# 2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Education

Bill/Resolution No. 2150 as (re) engrossed

Date: 4-21-11

Roll Call Vote #: 52

**Action Taken**

- SENATE accede to House amendments
- SENATE accede to House amendments and further amend
- HOUSE recede from House amendments
- HOUSE recede from House amendments and amend as follows

Senate/House Amendments on SJ/HJ page(s) \_\_\_\_\_

- Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) \_\_\_\_\_ was placed on the Seventh order of business on the calendar

Motion Made by: Rep Kelsch Seconded by: Rep Monson

Senators	Yes	No		Representatives	Yes	No
L. Freborg	✓			R. Kelsch	✓	
T. Flakoll	✓			D. monson	✓	
J. Heckaman		✓		P. Mueller		✓

Vote Count: Yes 4 No 2 Absent 0

Senate Carrier \_\_\_\_\_ House Carrier \_\_\_\_\_

LC Number 11.0208 . 07041 of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment Remove 1.b. #1-2-3-4 and renumber

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2150

That the House recede from its amendments as printed on pages 1408-1442 of the Senate Journal and pages 1229-1268 of the House Journal and that Reengrossed Senate Bill No. 2150 be amended as follows:

Page 1, line 6, after the seventh comma insert "15.1-27-23,"

Page 1, line 13, remove the second "and"

Page 1, line 13, after "date" insert "; and to declare an emergency"

Page 30, after line 24, insert:

**"SECTION 25. AMENDMENT.** Section 15.1-27-23 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-23. Weather or other emergency conditions - Closure of schools - State payments to school districts.**

1. If because of severe weather or other emergency conditions a public school or school district remains closed or provides less than a full day of instruction, the public school or school district shall make every effort to reschedule classes so that students receive at least ~~one hundred~~ seventy-three the number of full instructional days of instruction required by section 15.1-06-04.
2. Any public school or school district for which the rescheduling of classes would create undue hardship may request that, for purposes of calculating state aid payments to the ~~school or~~ school district, the governor waive the rescheduling in whole or in part.
3. The governor may not grant a waiver for less than a full day of instruction. However, if a public school or school district closes for only a portion of its regular schoolday, the hours during which the school or school district is closed may be added together to determine the number of additional full days of instruction that may be waived under this section."

Page 36, after line 21, insert:

**"SECTION 37. EMERGENCY.** Section 25 of this Act is declared to be an emergency measure."

Renumber accordingly



April 19, 2011

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2150

That the House recede from its amendments as printed on pages 1408-1442 of the Senate Journal and pages 1229-1268 of the House Journal and that Reengrossed Senate Bill No. 2150 be amended as follows:

Page 1, line 2, remove "and"

Page 1, line 2, after "15.1-21" insert ", and a new section to chapter 15.1-27"

Page 1, line 4, remove the first "and"

Page 1, line 4, after "scholarships" insert ", and weighting factors"

Page 26, after line 29, insert:

"SECTION 22. A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Weighted average daily membership - Determination - Factor increase.**

Notwithstanding the factor set forth in subdivision 1 of subsection 1 of section 15.1-27-03.1, beginning with the 2012-13 school year, the superintendent of public instruction shall multiply by ~~0.75~~ the number of students in average daily membership in order to support the provision of special education services."

Renumber accordingly

↑  
0.079



# 2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Education

Bill/Resolution No. 2150 as (re) engrossed

Date: 4-21-11

Roll Call Vote #: 54

- Action Taken**
- SENATE accede to House amendments
  - SENATE accede to House amendments and further amend
  - HOUSE recede from House amendments
  - HOUSE recede from House amendments and amend as follows

Senate/House Amendments on SJ/HJ page(s) \_\_\_\_\_

- Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) \_\_\_\_\_ was placed on the Seventh order of business on the calendar

Motion Made by: Sen. Flakoll Seconded by: Sen. Heckaman

Senators				Representatives				
	Yes	No		Yes	No		Yes	No
L. Freborg	✓		R. Kelsch	✓				
T. Flakoll	✓		D. monson	✓				
J. Heckaman	✓		P. Mueller	✓				

Vote Count: Yes 6 No 0 Absent 0

Senate Carrier \_\_\_\_\_ House Carrier \_\_\_\_\_

LC Number 11-0208 . 07052 of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Special Ed weighting factor  
increase w/ change from  
.075 to .079

# 2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Education

Bill/Resolution No. 2150 as (re) engrossed

Date: 4-21-11

Roll Call Vote #: 55

- Action Taken**
- SENATE accede to House amendments
  - SENATE accede to House amendments and further amend
  - HOUSE recede from House amendments
  - HOUSE recede from House amendments and amend as follows

Senate/House Amendments on SJ/HJ page(s) \_\_\_\_\_

- Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) \_\_\_\_\_ was placed on the Seventh order of business on the calendar

Motion Made by: Rep. Kelsch Seconded by: Rep. Monson

Senators	#	Yes	No	Representatives	#	Yes	No
L. Freborg	✓	✓		R. Kelsch	✓	✓	
T. Flakoll	✓	✓		D. monson	✓	✓	
J. Heckaman	✓	✓		P. mueller	✓	✓	

Vote Count: Yes 6 No 0 Absent 0

Senate Carrier \_\_\_\_\_ House Carrier \_\_\_\_\_

LC Number \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment  
\$3910 - 1st yr and \$3980 - 2nd yr. *Per student payments -*

# 2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Education

Bill/Resolution No. 2150 as (re) engrossed

Date: 4-21-11

Roll Call Vote #: 56

**Action Taken**

- SENATE accede to House amendments
- SENATE accede to House amendments and further amend
- HOUSE recede from House amendments
- HOUSE recede from House amendments and amend as follows

Senate/House Amendments on SJ/HJ page(s)           --          

Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) 2150 was placed on the Seventh order of business on the calendar

Motion Made by: Rep Mueller Seconded by: Rep. Kelsch

Senators	Yes	No		Representatives	Yes	No
L. Freborg	✓			R. Kelsch	✓	
T. Flakoll	✓			D. Monson	✓	
J. Heckaman	✓			P. Mueller	✓	

Vote Count: Yes 6 No 0 Absent 0

Senate Carrier \_\_\_\_\_ House Carrier \_\_\_\_\_

LC Number Kelsch amendment of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment Study amendment for Alternative Middle School.

April 21, 2011

**PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2150**

That the House recede from its amendments as printed on pages 1408-1442 of the Senate Journal and pages 1229-1268 of the House Journal and that Reengrossed Senate Bill No. 2150 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 6-09, a new section to chapter 15.1-09.1, four new sections to chapter 15.1-18.2, two new sections to chapter 15.1-21, and a new section to chapter 15.1-27 of the North Dakota Century Code, relating to required transfers, regional education associations, the professional development advisory committee, North Dakota scholarships, and state aid; to amend and reenact sections 15.1-07-33, 15.1-09.1-02, 15.1-21-02.1, 15.1-21-02.4, 15.1-21-02.5, 15.1-21-02.6, 15.1-21-08, 15.1-21-18, 15.1-21-19, 15.1-22-01, 15.1-22-02, 15.1-27-03, 15.1-27-03.1, 15.1-27-04, 15.1-27-07.2, 15.1-27-11, 15.1-27-23, 15.1-27-35.3, 15.1-36-02, and 15.1-37-01, subsection 1 of section 15.1-37-02, and section 15.1-37-03 of the North Dakota Century Code, relating to technology, regional education associations, curriculum requirements, assessments, scholarships, kindergartens, student consultations, state aid, school construction funding, and early childhood education, care, and services; to repeal section 5 of this Act and sections 15.1-18.2-01, 15.1-18.2-02, 15.1-18.2-03, and 15.1-27-15 of the North Dakota Century Code, relating to professional development and isolated schools; to provide an appropriation; to provide for compensation increases, transition payments, and the distribution of transportation grants, alternative middle school grants, and rapid enrollment growth grants; to provide for legislative management studies and reports; to provide an effective date; to provide an expiration date; and to declare an emergency.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1.** A new section to chapter 6-09 of the North Dakota Century Code is created and enacted as follows:

**Required transfer - Special education contract costs.**

If the industrial commission is notified by the superintendent of public instruction that, using all available sources, there are insufficient moneys with which to fully reimburse school districts for the excess costs of serving the one percent of special education students statewide who require the greatest school district expenditures in order to be provided with special education and related services, the industrial commission shall transfer from the earnings and accumulated and undivided profits of the Bank of North Dakota the amount that the superintendent of public instruction certifies is necessary to provide the statutorily required level of reimbursement. The superintendent of public instruction shall file for introduction legislation requesting that the ensuing legislative assembly return any amount transferred under this section to the Bank of North Dakota.

**SECTION 2. AMENDMENT.** Section 15.1-07-33 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-07-33. Student information system - Statewide coordination -  
Financial support - Exemption.**

1. Notwithstanding any other technology requirements imposed by the superintendent of public instruction, the information technology department, or the North Dakota educational technology council, each school district shall acquire PowerSchool through the information technology department and use it as its principal student information system.
2. The superintendent of public instruction shall forward that portion of a school district's state aid which is payable by the superintendent under subdivision n of subsection 1 of section 15.1-27-03.1 directly to the information technology department to reimburse the department for the cost of the school district's acquisition, implementation, or utilization of PowerSchool and any related technology support services. The superintendent shall forward the amount payable under this subsection at the same time and in the same manner as provided for other state aid payments under section 15.1-27-01.
3. If the portion of a school district's state aid forwarded to the information technology department under subsection 2 exceeds the cost incurred by the information technology department in providing for the school district's acquisition, implementation, or utilization of PowerSchool and any related technology support services, the information technology department shall return the excess moneys to the superintendent of public instruction for redistribution to the school district as per student payments.
4. The superintendent of public instruction may exempt a school district from having to acquire and utilize PowerSchool if the school district demonstrates that, in accordance with requirements of the bureau of Indian education, the district has acquired and is utilizing a student information system that is determined to be comparable by the superintendent.

**SECTION 3. AMENDMENT.** Section 15.1-09.1-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-09.1-02. Regional education association - Joint powers agreement associations - Review by superintendent of public instruction - Criteria.**

~~Before~~In order for a group of school districts ~~may~~to be designated as a regional education association, the superintendent of public instruction shall review the joint powers agreement that the districts have entered and verify that: the requirements of this section have been met.

1. The school districts must:
  - a. Have a combined total land mass of at least five thousand eight hundred square miles [1502193 hectares];
  - b. (1) Have a combined total land mass of at least four thousand five hundred square miles [1165494 hectares]; and

- (2) Number at least twelve;
  - c.
    - (1) Have a combined total land mass of at least four thousand square miles [1035995 hectares]; and
    - (2) Have at least three thousand students in average daily membership; or
  - d.
    - (1) Have a combined total land mass of at least one thousand five hundred square miles [388498 hectares]; and
    - (2) Have at least seven thousand five hundred students in average daily membership.
2. The school districts ~~are~~must be contiguous to each other or, if the districts are not contiguous to each other, the superintendent of public instruction shall verify that the participating districts can provide sound educational opportunities to their students in a fiscally responsible manner without injuring other school districts or regional education associations and without negatively impacting the ability of other school districts or regional education associations to provide sound educational opportunities to their students in a fiscally responsible manner. A decision by the superintendent of public instruction under this subsection may be appealed to the state board of public school education. A decision by the state board is final.
  3. The joint powers agreement ~~requires~~must require that the participating school districts maintain a joint operating fund ~~and share various administrative functions and student services in accordance with subsection 4.~~
  4.
    - a. ~~During the first two school years in which a regional education association is operational, each participating school district shall share in at least two administrative functions and two student services, selected by the district.~~
    - b. ~~During the third and fourth school years in which a regional education association is operational, each participating school district shall share in at least three administrative functions and three student services, selected by the district.~~
    - c. ~~During the fifth school year in which a regional education association is operational, and each year thereafter, each participating school district shall share at least five administrative functions and five student services, selected by the district.~~
    - d. For purposes of this subsection:
      - (1) "Administrative functions" means:
        - (a) Business management;
        - (b) Career and technical education services management;
        - (c) Curriculum mapping or development;
        - (d) Data analysis;
        - (e) Federal program support;

- (f) Federal title program management;
- (g) Grant writing;
- (h) School improvement;
- (i) School safety and environment management;
- (j) Special education services management;
- (k) Staff development;
- (l) Staff retention and recruitment;
- (m) Staff sharing;
- (n) Technology support; and
- (o) Any other functions approved by the superintendent of public instruction.

(2) "Student services" means:

- (a) Advanced placement classes;
- (b) Alternative high schools or alternative high school programs;
- (c) Career and technical education classes;
- (d) Counseling services;
- (e) Common elementary curricula;
- (f) Distance learning classes;
- (g) Dual credit classes;
- (h) Foreign language classes;
- (i) Library and media services;
- (j) Summer programs;
- (k) Supplemental instruction programs; and
- (l) Any other services approved by the superintendent of public instruction.

e. For purposes of this subsection, if a regional education association became operational before July 1, 2005, the 2005-06 school year must be considered the provider's first year of operation.

5. The joint powers agreement provides must provide:

- a. Criteria for the future participation of school districts that were not parties to the original joint powers agreement;
- b. An application process by which school districts that were not parties to the original joint powers agreement can become participating districts; and

- c. A process by which school districts that were not parties to the original joint powers agreement and whose application to participate in the agreement was denied can appeal the decision to the superintendent of public instruction.
- 6-5. The joint powers agreement ~~provides~~must provide for the employment and compensation of staff.
- 7-6. The joint powers agreement must:
  - a. ~~Establishes~~Establish the number of members on the governing board;
  - b. ~~Establishes~~Establish the manner in which members of the governing board are determined;
  - c. ~~Requires all members~~Require that each member of the governing board ~~or their designees to be individuals~~be an individual currently serving on the board of a participating school district ~~or the designee of a participating school district's board~~; and
  - d. ~~Allows~~Allow for the inclusion of ex officio nonvoting members on the governing board.
- 8-7. The joint powers agreement ~~provides~~must provide that the board of the regional education association shall meet at least quarterly.
- 9-8. The joint powers agreement ~~does~~may not permit the regional education association to compensate members of the regional education association board for attending meetings of the board and does not permit the regional education association to reimburse members of the board for any expenses incurred in attending meetings of the board.

**SECTION 4.** A new section to chapter 15.1-09.1 of the North Dakota Century Code is created and enacted as follows:

**Regional education association - Services to be offered.**

- 1. In order to be eligible for state funding, a regional education association must offer the following services to its member districts:
  - a. Coordination and facilitation of professional development activities for teachers and administrators employed by its member districts;
  - b. Supplementation of technology support services;
  - c. Assistance with achieving school improvement goals identified by the superintendent of public instruction;
  - d. Assistance with the collection, analysis, and interpretation of student achievement data; and
  - e. Assistance with the expansion and enrichment of curricular offerings.
- 2. Subsection 1 does not preclude a regional education association from offering additional services to its member districts.

**SECTION 5.** A new section to chapter 15.1-18.2 of the North Dakota Century Code is created and enacted as follows:



**Professional development advisory committee - Reimbursement of members.**

Each member of the professional development advisory committee is entitled to receive reimbursement for expenses as provided by law for state officers if the member is attending committee meetings, except that no member may receive reimbursement under this section for more than three committee meetings during each year of the biennium.

**SECTION 6.** A new section to chapter 15.1-18.2 of the North Dakota Century Code is created and enacted as follows:

**Teacher support program - Establishment.**

The education standards and practices board shall:

1. Establish and administer a teacher support program;
2. Employ an individual to serve as a teacher support program coordinator;
3. a. Select and train experienced teachers who will serve as mentors for first-year teachers and assist the first-year teachers with instructional skills development; or
  - b. If a school district or other employing entity listed in section 9 of this Act is not in need of mentors for its first-year teachers, select and train experienced teachers who will work with school district administrators and administrators from the other employing entities to identify the needs of the non-first-year teachers and help the non-first-year teachers address their particular needs through the use of:
    - (1) Research-validated interventions; and
    - (2) Proven instructional methods.

**SECTION 7.** A new section to chapter 15.1-18.2 of the North Dakota Century Code is created and enacted as follows:

**Teacher support program - Availability of services.**

The education standards and practices board may use any moneys it receives for the teacher support program to provide staff compensation, training, evaluation, and stipends for mentors and experienced teachers who assist first-year and non-first-year teachers participating in the program, and to pay for any other administrative expenses resulting from the program; provided, however, that the board may not expend more than five percent of the moneys for administrative purposes.

**SECTION 8.** A new section to chapter 15.1-18.2 of the North Dakota Century Code is created and enacted as follows:

**Teacher support program - Authorized service recipients.**

The education standards and practices board may provide support services to teachers employed by:

1. School districts;

2. Special education units;
3. Area career and technology centers;
4. Regional education associations; and
5. Schools funded by the bureau of Indian education.

**SECTION 9. AMENDMENT.** Section 15.1-21-02.1 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.1. High school graduation—Diploma requirementsdiploma - Minimum units.**

Except as provided in section 15.1-21-02.3, before a school district, a nonpublic high school, or the center for distance education issues a high school diploma to a student, the student must have successfully completed the following ~~twenty-two~~ units of high school coursework:

1. ~~Four units of English language arts from a sequence that includes literature, composition, and speech;~~
2. ~~Three units of mathematics;~~
3. ~~Three units of science, including:~~
  - a. ~~One unit of physical science;~~
  - b. ~~One unit of biology; and~~
  - e. ~~(1) One unit of any other science; or~~  
~~(2) Two one-half units of any other science;~~
4. ~~Three units of social studies, including:~~
  - a. ~~One unit of United States history;~~
  - b. ~~(1) One-half unit of United States government and one-half unit of economics; or~~  
~~(2) One unit of problems of democracy; and~~
  - c. ~~One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;~~
5. ~~a. One unit of physical education; or~~  
~~b. One-half unit of physical education and one-half unit of health;~~
6. ~~Three units of:~~
  - a. ~~Foreign languages;~~
  - b. ~~Native American languages;~~
  - e. ~~Fine arts; or~~

- d. ~~Career and technical education courses; and~~
- 7. ~~Any five additional units.~~
- 1. The twenty-two units of high school coursework set forth in section 10 of this Act; and
- 2. Any additional units of high school coursework required by the issuing entity.

**SECTION 10.** A new section to chapter 15.1-21 of the North Dakota Century Code is created and enacted as follows:

**High school graduation - Minimum requirements.**

Except as provided in section 15.1-21-02.3, the following twenty-two units of high school coursework constitute the minimum requirement for high school graduation:

- 1. Four units of English language arts from a sequence that includes literature, composition, and speech;
- 2. Three units of mathematics;
- 3. Three units of science, including:
  - a. One unit of physical science;
  - b. One unit of biology; and
  - c. (1) One unit of any other science; or  
(2) Two one-half units of any other science;
- 4. Three units of social studies, including:
  - a. One unit of United States history;
  - b. (1) One-half unit of United States government and one-half unit of economics; or  
(2) One unit of problems of democracy; and
  - c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;
- 5. a. One unit of physical education; or  
b. One-half unit of physical education and one-half unit of health;
- 6. Three units of:
  - a. Foreign languages;
  - b. Native American languages;
  - c. Fine arts; or

d. Career and technical education courses; and

7. Any five additional units.

**SECTION 11. AMENDMENT.** Section 15.1-21-02.4 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.4. North Dakota career and technical education scholarship.**

Any resident student who graduates from a high school during or after the 2010-11 school year is eligible to receive a North Dakota career and technical education scholarship provided the student ~~completes all requirements set forth in subsections 1 through 5 and subsection 7 of section 15.1-21-02.1 for a high school diploma and:~~

1. Completed four units of English language arts from a sequence that includes literature, composition, and speech;
2. Completed three units of mathematics, including:
  - a. ~~Completes one~~One unit of algebra II, as defined by the superintendent of public instruction, ~~in fulfillment of the mathematics requirement set forth in subsection 2 of section 15.1-21-02.1; and~~
  - b. ~~Completes two~~Two units of any other mathematics;
3. Completed three units of science, including:
  - a. One unit of physical science;
  - b. One unit of biology; and
  - c. (1) One unit of any other science; or  
(2) Two one-half units of any other science;
4. Completed three units of social studies, including:
  - a. One unit of United States history;
  - b. (1) One-half unit of United States government and one-half unit of economics; or  
(2) One unit of problems of democracy; and
  - c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;
5. a. Completed one unit of physical education; or  
b. One-half unit of physical education and one-half unit of health;
6. Completed:
  - a. One unit selected from:
    - (1) Foreign languages;

- (2) Native American languages;
  - (3) American sign language;
  - (4) Fine arts; or
  - (5) Career and technical education courses; and
- b. Two units of a coordinated plan of study recommended by the department of career and technical education and approved by the superintendent of public instruction; and
- ~~e.7.~~ Completed any five additional units, two of which must be in the area of career and technical education;
2. ~~Obtains a grade of at least "C" in each unit or one-half unit required for the diploma;~~
- 3.8. a. (1) ~~Obtains~~Obtained a cumulative grade point average of at least "B"3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based on all high school units in which the student was enrolled; and
- (2) Obtained a grade of at least "C" in each unit or one-half unit; or
- b. (1) Obtained a cumulative grade point average of at least 3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based only on the units required by subsections 1 through 7 of this section; and
- (2) Obtained a grade of at least "C" in each unit or one-half unit; and
- 4.9. ~~Receives~~Received:
- a. A composite score of at least twenty-four on an ACT; or
  - b. A score of at least five on each of three WorkKeys assessments recommended by the department of career and technical education and approved by the superintendent of public instruction.

**SECTION 12. AMENDMENT.** Section 15.1-21-02.5 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.5. North Dakota academic scholarship.**

Any resident student who graduates from a high school during or after the 2010-11 school year is eligible to receive a North Dakota academic scholarship provided the student ~~completes all requirements set forth in subsections 1 through 5 and subsection 7 of section 15.1-21-02.1 for a high school diploma and:~~

- 1. Completed four units of English language arts from a sequence that includes literature, composition, and speech;
- 2. Completed three units of mathematics, including:

- a. ~~Completes one~~One unit of algebra II, as defined by the superintendent of public instruction, ~~in fulfillment of the mathematics requirement set forth in subsection 2 of section 15.1-21-02.1; and~~
  - b. ~~Completes one additional~~One unit of mathematics for which algebra II, as defined by the superintendent of public instruction, is a prerequisite; ~~and~~
- e.3. ~~Completes~~Completed three units of science, including:
- a. One unit of physical science;
  - b. One unit of biology; and
  - c. (1) One unit of any other science; or  
(2) Two one-half units of any other science;
4. Completed three units of social studies, including:
- a. One unit of United States history;
  - b. (1) One-half unit of United States government and one-half unit of economics; or  
(2) One unit of problems of democracy; and
  - c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;
5. a. Completed one unit of physical education; or
- b. One-half unit of physical education and one-half unit of health;
6. a. Completed:
- (1) Two units of the same foreign or native American language;
  - (2) ~~One unit of fine arts or career and technical education~~American sign language; and
- (3)b. One unit of a foreign or native selected from:
- (1) Foreign languages;
  - (2) Native American language, fine languages;
  - (3) American sign language;
  - (4) Fine arts, or career; or
  - (5) Career and technical education;
2. ~~Obtains a grade of at least "C" in each unit or one-half unit required for the diploma;~~
- 3-7. ~~Obtains~~Completed any five additional units, one of which must be in the area of fine arts or career and technical education;

- 8. a. (1) Obtained a cumulative grade point average of at least "B"3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based on all high school units in which the student was enrolled; and
- (2) Obtained a grade of at least "C" in each unit or one-half unit; or
- b. (1) Obtained a cumulative grade point average of at least 3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based only on the units required by subsections 1 through 7 of this section; and
- (2) Obtained a grade of at least "C" in each unit or one-half unit;
- 4.9. ~~Receives~~Received a composite score of at least twenty-four on an ACT; and
- 5.10. a. ~~Completes~~Fulfilled any one unit requirement set forth in subsections 1 through 7 of this section by means of an advanced placement course and examination; or
- b. Fulfilled any one-half unit requirement set forth in subsections 1 through 7 of this section by means of a dual-credit course.

**SECTION 13. AMENDMENT.** Section 15.1-21-02.6 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.6. North Dakota scholarship - Amount - Applicability.**

- 1. a. The state board of higher education shall provide to any student certified as being eligible by the superintendent of public instruction either a North Dakota academic scholarship or a North Dakota career and technical education scholarship in the amount of seven hundred fifty dollars for each semester during which the student is enrolled full time at an accredited institution of higher education in this state and maintains a cumulative grade point average of 2.75.
- b. The state board of higher education shall provide to any student certified as being eligible by the superintendent of public instruction either a North Dakota academic scholarship or a North Dakota career and technical education scholarship in the amount of five hundred dollars for each quarter during which the student is enrolled full time at an accredited institution of higher education in this state and maintains a cumulative grade point average of 2.75.
- 2. The state board shall monitor each scholarship recipient to ensure that the student meets the academic and other requirements of this section. Upon determining that a recipient student has failed to meet the requirements of this section, the board shall provide notification to the student within ten days.
- 2.3. A student is not entitled to receive more than six thousand dollars under this section.
- 3.4. The state board of higher education shall forward the scholarship directly to the institution in which the student is enrolled.

- 4.5. a. (1) This section does not require a student to be enrolled in consecutive semesters.
- (2) This section does not require a student to be enrolled in consecutive quarters.
- b. However, a scholarship under this section is valid only for six academic years after the student's graduation from high school and may not be applied to graduate programs.

5-6. A scholarship under this section is available to any eligible student who graduates from a high school in this state or from a high school in a bordering state under chapter 15.1-29.

7. For purposes of North Dakota scholarship eligibility under this section, "full-time" means enrollment in at least twelve credits during a student's first two semesters and enrollment in at least fifteen credits during each semester thereafter or enrollment in the equivalent number of credits, as determined by the state board of higher education, with respect to students in a quarter system.

**SECTION 14.** A new section to chapter 15.1-21 of the North Dakota Century Code is created and enacted as follows:

**North Dakota scholarship - Eligibility - One-time exception.**

1. a. Notwithstanding section 15.1-21-02.6, if a student's cumulative grade point average as determined by the state board of higher education at the conclusion of a semester is below 2.75, the board shall grant an exception and provide the North Dakota scholarship to which the student would otherwise be entitled for the next semester in which the student is enrolled full time. The exception provided by this section is applicable to a student only one time.
- b. If a student's cumulative grade point average as determined by the state board of higher education at the conclusion of a semester is below 2.75 for a second time, the student is no longer eligible to receive any additional North Dakota academic or career and technical education scholarships.
2. a. Notwithstanding section 15.1-21-02.6, if a student's cumulative grade point average as determined by the state board of higher education at the conclusion of a quarter is below 2.75, the board shall grant an exception and provide the North Dakota scholarship to which the student would otherwise be entitled for the next quarter in which the student is enrolled full time. The exception provided by this section is applicable to a student only one time.
- b. If a student's cumulative grade point average as determined by the state board of higher education at the conclusion of a quarter is below 2.75 for a second time, the student is no longer eligible to receive any additional North Dakota academic or career and technical education scholarships.

**SECTION 15. AMENDMENT.** Section 15.1-21-08 of the North Dakota Century Code is amended and reenacted as follows:



**15.1-21-08. Reading, mathematics, and science - Administration of test.**

1. The superintendent of public instruction shall administer to public school students a test that is aligned to the state content and achievement standards in reading and mathematics. This test must be administered to ~~all public school students in at least one grade level selected within each of the following grade spans: grades three through five; grades six through nine; and grades ten through twelve.~~ Beginning no later than the 2005-06 school year and annually thereafter, the superintendent of public instruction shall administer the reading and mathematics test annually to all public school students in grades three, four, five, six, seven, eight, and eleven.
2. ~~Beginning no later than the 2007-08 school year and annually thereafter,~~ ~~the~~The superintendent of public instruction shall administer a test that is aligned to the state content and achievement standards in science. This test must be administered to all public school students in at least one grade level selected from three through five; in at least one grade level selected from six through nine; and in grade eleven. The superintendent of public instruction may not administer the grade eleven test after December first of each school year.

**SECTION 16. AMENDMENT.** Section 15.1-21-18 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-18. Career interest inventory - Educational and career planning - Consultation.**

1. A school district shall administer to students, once during their enrollment in grade seven or eight and once during their enrollment in grade nine or ten, a career interest inventory recommended by the department of career and technical education and approved by the superintendent of public instruction.
2. At least once during the seventh or eighth grade, each school district shall arrange for students to participate in either an individual consultative process or a nine-week course, for the purpose of discussing the results of their career interest inventory, selecting high school courses appropriate to their educational pursuits and career interests, and developing individual high school education plans.
3. Each school district shall notify its high school students that, upon request, a student is entitled to receive a consultative review of the student's individual high school education plan at least once during each high school grade. Upon the request of a student, the school district shall provide the consultative review.
4. Each school district shall verify compliance with the requirements of this section at the time and in the manner required by the superintendent of public instruction.

**SECTION 17. AMENDMENT.** Section 15.1-21-19 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-19. Summative assessment - Selection - Cost - Exemptions.**

1. Except as otherwise provided, each public and nonpublic school student in grade eleven shall take the ACT, including the writing test, or three WorkKeys assessments recommended by the department of career and technical education and approved by the superintendent of public instruction. The student shall determine which summative assessment to take. ~~The student's school district of residence~~ superintendent of public instruction is responsible for the cost of procuring and administering one summative assessment ~~and its administration~~ per student.
2. The student's career advisor or guidance counselor shall meet with the student to review the student's assessment results.
3. A school district superintendent or a school administrator in the case of a nonpublic school student may exempt a student from the requirements of this section if taking the test is not required by the student's individualized education program plan or if other special circumstances exist.
4. ~~If the superintendent of public instruction determines that the cost of the summative assessment and its administration can be reduced through use of a state procurement process, the superintendent shall work with the school districts to procure and arrange for the administration of the assessment and shall withhold each district's share of the total cost from any state aid otherwise payable to the district. At the time and in the manner determined by the superintendent of public instruction, each school district superintendent and each school administrator in the case of a nonpublic school shall report the number of eleventh grade students who:~~
  - a. Took the ACT, including the writing test;
  - b. Took the three WorkKeys assessments; and
  - c. Were exempted from the requirements of this section, together with the reason for each exemption.

**SECTION 18. AMENDMENT.** Section 15.1-22-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-22-01. Kindergarten - Establishment by board - Request by parent - Levy.**

1. ~~Upon its own motion, the~~ The board of a school district ~~may establish a free public kindergarten.~~
2. ~~If the board receives a written request to provide kindergarten from the parent of a student who will be enrolled in the kindergarten, the board shall either provide at least a half-day kindergarten program for the~~ any student enrolled in the district or pay the tuition required for the student to attend at least a half-day kindergarten program in another school district.
- 3-2. The board of a school district that establishes a kindergarten under this section may levy a tax pursuant to subdivision p of subsection 1 of section 57-15-14.2.

**SECTION 19. AMENDMENT.** Section 15.1-22-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-22-02. Public kindergarten - Requirements.**

A school district operating a kindergarten:

1. May not employ an individual as a kindergarten teacher unless the individual is licensed to teach by the education standards and practices board or approved by the education standards and practices board;
2. Shall submit to the superintendent of public instruction and follow a developmentally appropriate curriculum;
3. Shall provide ~~at least the equivalent of thirty full days of~~ kindergarten instruction, on a half-day or full-day basis, as determined by the school board;
4. Shall provide for a kindergarten instructional calendar equal to at least fifty percent of the full-time instructional days required in accordance with section 15.1-06-04;
5. Shall apply all municipal and state health, fire, and safety requirements to the kindergarten; and
- 5-6. May not enroll a child who is not five years old before August first of the year of enrollment, unless the child will be five years old before December first and:
  - a. The child, by means of developmental and readiness screening instruments approved by the superintendent of public instruction and administered by the kindergarten operator, can demonstrate academic, social, and emotional readiness; or
  - b. The child has been enrolled in another approved kindergarten.

**SECTION 20. AMENDMENT.** Section 15.1-27-03 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-03. Cost of education - Determination.**

1. The superintendent of public instruction shall determine the educational cost per student.
2. In determining the educational cost per student, the superintendent may not use:
  - a. Capital outlay for buildings;
  - b. Capital outlay for sites;
  - c. Capital outlay for debt service;
  - d. Expenditures for school activities;
  - e. Expenditures for school lunch programs;

- f. Expenditures for transportation costs, including schoolbuses; or
- g. Expenditures for early childhood education.

**SECTION 21. AMENDMENT.** Section 15.1-27-03.1 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-03.1. ~~(Effective through June 30, 2011) Weighted average daily membership – Determination.~~**

- 1. ~~For each school district, the superintendent of public instruction shall multiply by:~~
  - a. ~~1.00 the number of full-time equivalent students enrolled in a migrant summer program;~~
  - b. ~~1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;~~
  - c. ~~0.60 the number of full-time equivalent students enrolled in a summer education program;~~
  - d. ~~0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;~~
  - e. ~~0.30 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and are enrolled in a program of instruction for English language learners;~~
  - f. ~~0.25 the number of full-time equivalent students enrolled in an alternative high school;~~
  - g. ~~0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
  - h. ~~0.25 the number of full-time equivalent students enrolled in an isolated high school;~~
  - i. ~~0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;~~
  - j. ~~0.20 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be not proficient and are enrolled in a program of instruction for English language learners;~~
  - k. ~~0.17 the number of full-time equivalent students enrolled in an early childhood special education program;~~
  - l. ~~0.07 the number of students enrolled in average daily membership, in order to support the provision of special education services;~~
  - m. ~~0.07 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be somewhat proficient and are enrolled in a program of instruction for English language learners;~~

- n. ~~0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; and~~
  - e. ~~0.002 the number of students enrolled in average daily membership, in order to support technology.~~
2. ~~The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.~~

**(Effective after June 30, 2014) Weighted average daily membership - Determination.**

1. For each school district, the superintendent of public instruction shall multiply by:
  - a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;
  - b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;
  - c. 0.60 the number of full-time equivalent students enrolled in a summer education program;
  - d. 0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;
  - e. 0.30 the number of full-time equivalent students who ~~are~~:
    - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and placed in the first of six categories of proficiency; and are
    - (2) Are enrolled in a program of instruction for English language learners;
  - f. 0.25 the number of full-time equivalent students enrolled in an alternative high school;
  - g. ~~0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
  - h. ~~0.25 the number of full-time equivalent students enrolled in an isolated high school;~~
  - i. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;
  - ~~j.~~h. 0.20 the number of full-time equivalent students who ~~are~~:
    - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be ~~not~~more proficient than students placed in the first of six

categories of proficiency and therefore placed in the second of six categories of proficiency; and are

- (2) Are enrolled in a program of instruction for English language learners;
- k.i. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;
- h.j. 0.070.10 the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average daily membership and the district consists of an area greater than two hundred seventy-five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students in average daily membership must be deemed to have an enrollment equal to fifty students in average daily membership;
- k. 0.073 the number of students enrolled in average daily membership, in order to support the provision of special education services;
- m.l. 0.07 the number of full-time equivalent students who are:
- (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be somewhat more proficient and are than students placed in the second of six categories of proficiency and therefore placed in the third of six categories of proficiency;
  - (2) Are enrolled in a program of instruction for English language learners; and
  - (3) Have not been in the third of six categories of proficiency for more than three years;
- n.m. 0.025 the number of students representing that percentage of the total number of students in average daily membership which is equivalent to the three-year average percentage of students in grades three through eight who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.];
- n. 0.006 the number of students enrolled in average daily membership in each public school in the district that:
- (1) Has acquired and is utilizing the PowerSchool student information system;
  - (2) Has acquired and is in the process of implementing the PowerSchool student information system; or
  - (3) Will acquire the PowerSchool student information system during the current school year, provided the acquisition is contractually demonstrated; and

- o. 0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; and
  - p. ~~0.002 the number of students enrolled in average daily membership, in order to support technology.~~
2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.

**SECTION 22. AMENDMENT.** Section 15.1-27-03.1 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-03.1. ~~(Effective through June 30, 2011) Weighted average daily membership--Determination.~~**

- 1. ~~For each school district, the superintendent of public instruction shall multiply by:~~
  - a. ~~1.00 the number of full-time equivalent students enrolled in a migrant summer program;~~
  - b. ~~1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;~~
  - c. ~~0.60 the number of full-time equivalent students enrolled in a summer education program;~~
  - d. ~~0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;~~
  - e. ~~0.30 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and are enrolled in a program of instruction for English language learners;~~
  - f. ~~0.25 the number of full-time equivalent students enrolled in an alternative high school;~~
  - g. ~~0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
  - h. ~~0.25 the number of full-time equivalent students enrolled in an isolated high school;~~
  - i. ~~0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;~~
  - j. ~~0.20 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be not proficient and are enrolled in a program of instruction for English language learners;~~
  - k. ~~0.17 the number of full-time equivalent students enrolled in an early childhood special education program;~~

- ~~l. 0.07 the number of students enrolled in average daily membership, in order to support the provision of special education services;~~
  - ~~m. 0.07 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be somewhat proficient and are enrolled in a program of instruction for English language learners;~~
  - ~~n. 0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; and~~
  - ~~o. 0.002 the number of students enrolled in average daily membership, in order to support technology.~~
- ~~2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.~~

**(Effective after June 30, 2014) Weighted average daily membership - Determination.**

- 1. For each school district, the superintendent of public instruction shall multiply by:
  - a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;
  - b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;
  - c. 0.60 the number of full-time equivalent students enrolled in a summer education program;
  - d. 0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;
  - e. 0.30 the number of full-time equivalent students who ~~on~~:
    - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and placed in the first of six categories of proficiency; and are
    - (2) Are enrolled in a program of instruction for English language learners;
  - f. 0.25 the number of full-time equivalent students enrolled in an alternative high school;
  - g. ~~0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
  - h. ~~0.25 the number of full-time equivalent students enrolled in an isolated high school;~~



- i. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;
- j-h. 0.20 the number of full-time equivalent students who-~~en~~;
  - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be ~~not~~more proficient than students placed in the first of six categories of proficiency and therefore placed in the second of six categories of proficiency; and-are
  - (2) Are enrolled in a program of instruction for English language learners;
- k-i. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;
- h-j. ~~0-070.10~~ the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average daily membership and the district consists of an area greater than two hundred seventy-five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students in average daily membership must be deemed to have an enrollment equal to fifty students in average daily membership;
- k. ~~0.079~~ the number of students enrolled in average daily membership, in order to support the provision of special education services;
- m-l. 0.07 the number of full-time equivalent students who-~~en~~;
  - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be somewhatmore proficient and-arethan students placed in the second of six categories of proficiency and therefore placed in the third of six categories of proficiency;
  - (2) Are enrolled in a program of instruction for English language learners; and
  - (3) Have not been in the third of six categories of proficiency for more than three years;
- n-m. 0.025 the number of students representing that percentage of the total number of students in average daily membership which is equivalent to the three-year average percentage of students in grades three through eight who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.];
- n. ~~0.006~~ the number of students enrolled in average daily membership in each public school in the district that:
  - (1) Has acquired and is utilizing the PowerSchool student information system;

- (2) Has acquired and is in the process of implementing the PowerSchool student information system; or
  - (3) Will acquire the PowerSchool student information system during the current school year, provided the acquisition is contractually demonstrated; and
- o. 0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; and
  - p. ~~0.002 the number of students enrolled in average daily membership, in order to support technology.~~
2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.

**SECTION 23. AMENDMENT.** Section 15.1-27-03.1 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-03.1. ~~(Effective through June 30, 2011) Weighted average daily membership - Determination.~~**

- 1. ~~For each school district, the superintendent of public instruction shall multiply by:~~
  - a. ~~1.00 the number of full-time equivalent students enrolled in a migrant summer program;~~
  - b. ~~1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;~~
  - c. ~~0.60 the number of full-time equivalent students enrolled in a summer education program;~~
  - d. ~~0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;~~
  - e. ~~0.30 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and are enrolled in a program of instruction for English language learners;~~
  - f. ~~0.25 the number of full-time equivalent students enrolled in an alternative high school;~~
  - g. ~~0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
  - h. ~~0.25 the number of full-time equivalent students enrolled in an isolated high school;~~
  - i. ~~0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;~~

- ~~j. 0.20 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be not proficient and are enrolled in a program of instruction for English language learners;~~
  - ~~k. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;~~
  - ~~l. 0.07 the number of students enrolled in average daily membership, in order to support the provision of special education services;~~
  - ~~m. 0.07 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be somewhat proficient and are enrolled in a program of instruction for English language learners;~~
  - ~~n. 0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; and~~
  - ~~e. 0.002 the number of students enrolled in average daily membership, in order to support technology.~~
2. ~~The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.~~

**(Effective after June 30, 2014) Weighted average daily membership - Determination.**

1. For each school district, the superintendent of public instruction shall multiply by:
  - a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;
  - b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;
  - c. 0.60 the number of full-time equivalent students enrolled in a summer education program;
  - d. 0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;
  - e. 0.30 the number of full-time equivalent students who ~~en~~:
    - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and placed in the first of six categories of proficiency; and are
    - (2) Are enrolled in a program of instruction for English language learners;
  - f. 0.25 the number of full-time equivalent students enrolled in an alternative high school;

- g. ~~0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
- h. ~~0.25 the number of full-time equivalent students enrolled in an isolated high school;~~
- i. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;
- j-h. 0.20 the number of full-time equivalent students who-~~are~~:
  - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be ~~not~~more proficient than students placed in the first of six categories of proficiency and therefore placed in the second of six categories of proficiency; and-are
  - (2) Are enrolled in a program of instruction for English language learners;
- k-i. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;
- j. 0.15 the number of full-time equivalent students in grades six through eight enrolled in an alternative education program for at least an average of fifteen hours per week;
- t-k. ~~0.070.10~~ the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average daily membership and the district consists of an area greater than two hundred seventy-five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students in average daily membership must be deemed to have an enrollment equal to fifty students in average daily membership;
- l. 0.079 the number of students enrolled in average daily membership, in order to support the provision of special education services;
- m. 0.07 the number of full-time equivalent students who-~~are~~:
  - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be ~~somewhat~~more proficient and-are than students placed in the second of six categories of proficiency and therefore placed in the third of six categories of proficiency;
  - (2) Are enrolled in a program of instruction for English language learners; and
  - (3) Have not been in the third of six categories of proficiency for more than three years;
- n. 0.025 the number of students representing that percentage of the total number of students in average daily membership which is equivalent to the three-year average percentage of students in grades three through eight who are eligible for free or reduced lunches under the

Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.];

- o. 0.006 the number of students enrolled in average daily membership in each public school in the district that:
    - (1) Has acquired and is utilizing the PowerSchool student information system;
    - (2) Has acquired and is in the process of implementing the PowerSchool student information system; or
    - (3) Will acquire the PowerSchool student information system during the current school year, provided the acquisition is contractually demonstrated; and
  - p. 0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; and
  - p. ~~0.002 the number of students enrolled in average daily membership, in order to support technology.~~
2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.

**SECTION 24. AMENDMENT.** Section 15.1-27-04 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-04. Per student payment rate.**

- 1. a. The per student payment rate to which each school district is entitled for the first year of the biennium is three thousand ~~twenine~~ hundred ten dollars.
- b. The per student payment rate to which each school district is entitled for the second year of the biennium is three thousand ~~sevenine~~ hundred seventy-nineeighty dollars.
- 2. In order to determine the state aid payment to which each district is entitled, the superintendent of public instruction shall multiply each district's weighted student units by the per student payment rate set forth in subsection 1.

**SECTION 25. AMENDMENT.** Section 15.1-27-07.2 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-07.2. Baseline funding - Determination - Minimum and maximum allowable increases.**

- 1. The superintendent of public instruction shall determine each school district's baseline funding per weighted student unit by:
  - a. Adding together all state aid received by the district during the 2006-07 school year;

- b. Subtracting the amount received by the district during the 2006-07 school year for transportation aid, special education excess cost reimbursements, special education contracts, prior year funding adjustments, and per student payments for participation in educational associations governed by joint powers agreements; and
  - c. Dividing the amount determined under subdivision b by the district's 2007-08 weighted student units.
- 2. a. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, for the 2009-10 school year, is at least equal to one hundred eight percent of the baseline funding per weighted student unit, as established in subsection 1.
  - b. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, for each school year after the 2009-10 school year, is at least equal to one hundred twelve and one-half percent of the baseline funding per weighted student unit, as established in subsection 1.
- 3. a. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, less any amount received as equity payments under section 15.1-27-11 per weighted student unit, does not exceed, for the ~~2009-10~~2011-12 school year, one hundred ~~twenty-four~~two percent of the baseline funding per weighted student unit, as established in subsection 1.
  - b. ~~The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, less any amount received as equity payments under section 15.1-27-11 per weighted student unit, does not exceed, for each school year after the 2009-10 school year, one hundred thirty-four percent of the baseline funding per weighted student unit, as established in subsection 1.~~

**SECTION 26. AMENDMENT.** Section 15.1-27-11 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-11. Equity payments.**

- 1. The superintendent of public instruction shall:
  - a. Divide the imputed taxable valuation of the state by the total average daily membership of all school districts in the state in order to determine the state average imputed taxable valuation per student.
  - b. Divide the imputed taxable valuation of each school district by the district's total average daily membership in order to determine each district's average imputed taxable valuation per student.
- 2. If a school district's imputed taxable valuation per student is less than ninety percent of the statewide imputed taxable valuation per student, the superintendent of public instruction shall calculate the valuation deficiency by:

- a. Determining the difference between ninety percent of the state average imputed taxable valuation per student and the district's average imputed taxable valuation per student; and
  - b. Multiplying that difference by the district's total average daily membership.
3. Except as provided in subsection 4, the equity payment to which a district is entitled under this section equals the district's valuation deficiency multiplied by the lesser of:
  - a. The district's general fund levy for the taxable year 2008; or
  - b. One hundred eighty-five mills.
4.
  - a. The equity payment to which a district is entitled may not exceed the district's taxable valuation multiplied by its general fund levy for the taxable year 2008.
  - b. If a district's general fund levy for the taxable year 2008 is less than one hundred eighty-five mills, the superintendent of public instruction shall subtract the district's general fund levy for the taxable year 2008 from one hundred eighty-five mills, multiply the result by the district's taxable valuation, and subtract that result from the equity payment to which the district is otherwise entitled.
  - c. If a district's imputed taxable valuation per student is less than fifty percent of the statewide imputed taxable valuation per student, the payment to which the district is entitled under this section may not be less than twenty percent of the statewide imputed taxable valuation per student times the school district's average daily membership, multiplied by one hundred eighty-five mills.
5. In determining the amount to which a school district is entitled under this section, the superintendent of public instruction may not include any payments received by the district as a result of Public Law No. 81-874 [64 Stat. 1100; 20 U.S.C. 236 et seq.] and may not include in the district's average daily membership students who are dependents of members of the armed forces and students who are dependents of civilian employees of the department of defense.
6. In determining the statewide average imputed taxable valuation per student for purposes of this section, the superintendent of public instruction may not include:
  - a. Any school district, which if included in the calculation would have an imputed taxable valuation per student that is three times greater than the statewide average imputed taxable valuation per student; and
  - b. Any school district, which if included in the calculation would have an imputed taxable valuation per student that is less than one-fifth of the statewide average imputed taxable valuation per student.
7. For purposes of this section:
  - a. "General fund levy" includes a district's high school transportation levy and its high school tuition levy.

- b. "Imputed taxable valuation" means the valuation of all taxable real property in the district plus:
- (1) An amount determined by dividing seventy percent of the district's mineral and tuition revenue, revenue from payments in lieu of property taxes on distribution and transmission of electric power, revenue from payments in lieu of taxes from electricity generated from sources other than coal, and revenue received on account of the leasing of lands acquired by the United States for flood control, navigation, and allied purposes in accordance with 33 U.S.C. 701c-3 by the district's general fund mill levy for the taxable year 2008; and
  - (2) An amount determined by dividing the district's revenue from mobile home taxes and telecommunications taxes by the district's general fund mill levy for the taxable year 2008.
- c. "Mineral revenue" includes all revenue from county sources reported under code 2000 of the North Dakota school district financial accounting and reporting manual as developed by the superintendent of public instruction in accordance with section 15.1-02-08.
- d. "Tuition revenue" includes all revenue reported under code 1300 of the North Dakota school district financial accounting and reporting manual as developed by the superintendent of public instruction in accordance with section 15.1-02-08. "Tuition revenue" does not include tuition income received specifically for the operation of an educational program provided at a residential treatment facility.

**SECTION 27. AMENDMENT.** Section 15.1-27-23 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-23. Weather or other emergency conditions - Closure of schools - State aid payments to school districts.**

1. If because of severe weather or other emergency conditions a public school or school district remains closed or provides less than a full day of instruction, the public school or school district shall make every effort to reschedule classes so that students receive at least ~~one hundred~~ seventy-three the number of full instructional days ~~of instruction~~ required by section 15.1-06-04.
2. Any public school or school district for which the rescheduling of classes would create undue hardship may request that, for purposes of calculating state aid payments to the ~~school or~~ school district, the governor waive the rescheduling in whole or in part.
3. The governor may not grant a waiver for less than a full day of instruction. However, if a public school or school district closes for only a portion of its regular schoolday, the hours during which the school or school district is closed may be added together to determine the number of additional full days of instruction that may be waived under this section.

**SECTION 28. AMENDMENT.** Section 15.1-27-35.3 of the North Dakota Century Code is amended and reenacted as follows:



**15.1-27-35.3. (Effective through June 30, 2011) Payments to school districts - Unobligated general fund balance - Report to legislative council.**

1. ~~The superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of fifty percent of its actual expenditures, plus twenty thousand dollars. Beginning July 1, 2008, the superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty five percent of its actual expenditures, plus twenty thousand dollars.~~
2. ~~In making the determination required by subsection 1, the superintendent of public instruction may not include in a district's unobligated general fund balance any moneys that:~~
  - a. ~~(1) Were received by the district during the school year ending June 30, 2009, on account of the leasing of lands acquired by the United States for flood control, navigation, and allied purposes in accordance with 33 U.S.C. 701e-3; and~~
    - (2) Exceeded the amount received by the district during the school year ending June 30, 2008, for the purpose stated in paragraph 1;
  - b. ~~Were received directly by the district from the United States government in accordance with the American Recovery and Reinvestment Act of 2009; or~~
  - c. ~~Were received by the district as supplemental one-time grants under section 52 of S.L. 2009, ch. 175.~~
3. ~~Any district having more than fifty thousand dollars excluded in the determination of its ending fund balance, as required by subsection 2, shall provide a report to the legislative council. The report, which must be presented at the time and in the manner directed by the legislative council, must address how the money was expended, including the number of mills by which the district was able to decrease its property taxes, if such was a permitted use.~~

**(Effective after June 30, 2011) Payments to school districts - Unobligated general fund balance.**

1. ~~The superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of fifty percent of its actual expenditures, plus twenty thousand dollars. Beginning July 1, 2008, the superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty-five percent of its actual expenditures, plus twenty thousand dollars.~~

2. In making the determination required by subsection 1, the superintendent of public instruction may not include in a district's unobligated general fund balance any moneys that were received by the district from the federal education jobs fund program.

**SECTION 29.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Distribution of remaining moneys.**

If any money remains in the grants - state aid line item after the superintendent complies with all statutory payment obligations imposed for a biennium, the superintendent shall use the remaining moneys to provide additional per student payments on a prorated basis according to the latest available average daily membership of each school district.

**SECTION 30. AMENDMENT.** Section 15.1-36-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-36-02. School construction projects - Loans.**

1. The board of university and school lands may authorize the use of moneys in the coal development trust fund established pursuant to section 21 of article X of the Constitution of North Dakota and subsection 1 of section 57-62-02 to provide school construction loans, as described in this chapter. The outstanding principal balance of loans under this chapter may not exceed fifty million dollars. The board may adopt policies and rules governing school construction loans.
2. In order to be eligible for a loan under this section, the board of a school district shall:
  - a. Propose a construction project with a cost of at least one million dollars and an expected utilization of at least thirty years;
  - b. Obtain the approval of the superintendent of public instruction for the construction project under section 15.1-36-01; and
  - c. Submit to the superintendent of public instruction an application containing all information deemed necessary by the superintendent, including potential alternative sources or methods of financing the construction project.
3. The superintendent of public instruction shall give priority to any district that meets the requirements for receipt of an equity payment under section 15.1-27-11.
4. If an eligible school district's imputed taxable valuation per student is less than eighty percent of the state average imputed valuation per student, the district is entitled to receive:
  - a. A school construction loan equal to the lesser of ~~eight~~twelve million dollars or eighty percent of the actual project cost;

- b. An interest rate discount equal to at least fiftyone hundred but not more than two hundred fifty basis points below the prevailing tax-free bond rates; and
  - c. A term of repayment that may extend up to twenty years.
- 5. If an eligible school district's imputed taxable valuation per student is equal to at least eighty percent but less than ninety percent of the state average imputed taxable valuation per student, the district is entitled to receive:
  - a. A school construction loan equal to the lesser of seventen million dollars or seventy percent of the actual project cost;
  - b. An interest rate buydown equal to at least fiftyone hundred but not more than two hundred fifty basis points below the prevailing tax-free bond rates; and
  - c. A term of repayment that may extend up to twenty years.
- 6. If an eligible school district's imputed taxable valuation per student is equal to at least ninety percent of the state average imputed taxable valuation per student, the district is entitled to receive:
  - a. A school construction loan equal to the lesser of twofour million-~~five hundred thousand~~ dollars or thirty percent of the actual project cost;
  - b. An interest rate discount equal to at least fiftyone hundred but not more than two hundred fifty basis points below the prevailing tax-free bond rates; and
  - c. A term of repayment that may extend up to twenty years.
- 7. The board of a school district may submit its loan application to the superintendent of public instruction before or after receiving authorization of a bond issue in accordance with chapter 21-03. If the vote to authorize a bond issue precedes the application for a loan, the application must be acted upon by the superintendent expeditiously but no later than one hundred eighty days from the date it is received by the superintendent.
- 8. The superintendent of public instruction shall consider each loan application in the order it received approval under section 15.1-36-01.
- 9. If the superintendent of public instruction approves the loan, the superintendent may determine the loan amount, the term of the loan, and the interest rate, in accordance with the requirements of this section.
- 10. The superintendent of public instruction may adopt rules governing school construction loans.
- 11. For purposes of this section, a construction project means the purchase, lease, erection, or improvement of any structure or facility by a school board, provided the acquisition or activity is within a school board's authority.

**SECTION 31. AMENDMENT.** Section 15.1-37-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-37-01. Early childhood education program - Approval.**

1. Any person or school district operating an early childhood education program may request approval of the program from the superintendent of public instruction. The superintendent shall approve an early childhood education program if the program:
  - ~~1-a.~~ Is taught by individuals who are licensed to teach in early childhood education by the education standards and practices board;
  - ~~2-b.~~ Follows a developmentally appropriate curriculum; ~~and~~
  - ~~3-c.~~ Is in compliance with all municipal and state health, fire, and safety requirements; ~~and~~
  - d. Limits its enrollment to children who have reached the age of four before August first in the year of enrollment.
2. ~~Per student funding will not be provided to individuals or school districts offering a prekindergarten.~~ In determining the state aid payments to which a school district is entitled, the superintendent of public instruction may not count any student enrolled in a regular early childhood education program.

**SECTION 32. AMENDMENT.** Subsection 1 of section 15.1-37-02 of the North Dakota Century Code is amended and reenacted as follows:

1. The North Dakota early childhood education council consists of:
  - a. A chairman appointed by the governor;
  - b. The superintendent of public instruction, or the superintendent's designee;
  - c. The state health officer, or the officer's designee;
  - d. The director of the department of human services, or the director's designee;
  - e. The North Dakota head start - state collaboration administrator, or the administrator's designee;
  - f. The commissioner of higher education, or the commissioner's designee;
  - g. The commissioner of commerce, or the commissioner's designee;
  - h. The chairman of the senate education committee, or the chairman's designee;
  - ~~h-i.~~ The chairman of the house of representatives education committee, or the chairman's designee; and
  - ~~h-j.~~ The following gubernatorial appointees:
    - (1) The superintendent of a school district having at least one thousand students in average daily membership;
    - (2) The superintendent of a school district having fewer than one thousand students in average daily membership;

- (3) The superintendent of a school district headquartered on a reservation or including reservation land within its boundaries;
- (4) ~~The principal of a school district;~~
- (5) ~~An individual employed as an elementary school teacher;~~
- (6) An individual representing a non-religious-based provider of preschool/early childhood education;
- (7)(5) An individual representing a religious-based provider of preschool/early childhood education;
- (8)(6) An individual representing a center-based licensed child care provider;
- (9)(7) An individual representing a home-based licensed child care provider;
- (10)(8) An individual representing a reservation-based head start program;
- (11)(9) An elected member of a school board;
- (12)(10) The parent of a child not yet enrolled in elementary school; ~~and~~
- (13)(11) The parent of a child with special needs/disabilities not yet enrolled in elementary school; and
- (12) An individual representing children with disabilities.

**SECTION 33. AMENDMENT.** Section 15.1-37-03 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-37-03. Council - Duties.**

The council shall:

- 1. Review the delivery/availability and provision of early childhood education, care, and services in this state;
- 2. ~~Conduct a needs assessment;~~
- 3. ~~Review early childhood education standards and propose revisions to the standards as needed;~~
- 4. Review/identify opportunities for public and private sector collaboration in the delivery/provision of early childhood education, care, and services in this state;
- 5. ~~Develop a comprehensive plan governing the delivery of early childhood education in this state; and~~
- 6-3. Identify ways to assist with the recruitment and retention of individuals interested in working as providers of early childhood education, care, and services, including training and continuing education or professional development opportunities;

4. Seek the advice and guidance of individuals who are uniquely familiar with the nature, scope, and associated challenges of providing early childhood education, care, and services in geographically and socioeconomically diverse settings, and develop recommendations pertaining to the short-term and longer-term improvement and expansion of early childhood education, care, and services in this state; and
5. Provide a biennial report regarding its activities findings and recommendations to the governor and the legislative council assembly.

**SECTION 34. APPROPRIATION - SCHOOL DISTRICT RAPID ENROLLMENT GROWTH - GRANTS.** There is appropriated out of any moneys in the oil and gas impact grant fund in the state treasury, not otherwise appropriated, the sum of \$5,000,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of providing a grant to any school district that can demonstrate rapid enrollment growth, for the biennium beginning July 1, 2011, and ending June 30, 2013.

1. If the number of full-time equivalent students enrolled in a school district has increased by at least seven percent annually and if that increase is equal to at least twenty-five full-time equivalent students, as demonstrated by the district's September tenth fall enrollment report, the district is entitled to receive a grant equal to the per student payment provided for in section 15.1-27-04 multiplied by the actual increase in its full-time equivalent student enrollment.
2. If the amount of the appropriation provided for in this section is insufficient to meet the obligations of this section, the superintendent of public instruction shall prorate the payment based on the percentage of the total amount to which each school district is entitled.
3. The superintendent of public instruction may not expend more than \$2,500,000 in grants under this section during the first year of the biennium.
4. Any district that is precluded from receiving state aid under section 15.1-27-35.3 is not eligible to receive a grant under this section.

**SECTION 35. APPROPRIATION - GEARING UP FOR KINDERGARTEN.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$625,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of supporting the gearing up for kindergarten program provided by the North Dakota state university extension service, for the biennium beginning July 1, 2011, and ending June 30, 2013. The North Dakota state university extension service may use up to \$125,000 of the amount appropriated for administrative purposes.

**SECTION 36. TRANSPORTATION GRANTS - DISTRIBUTION.**

1. During each year of the 2011-13 biennium, the superintendent of public instruction shall calculate the payment to which each school district is entitled based on the state transportation formula as it existed on June 30, 2001, except that the superintendent shall provide reimbursement at the rate of:

- a. One dollar and three cents per mile for schoolbuses having a capacity of ten or more passengers;
  - b. Forty-six cents per mile for vehicles having a capacity of nine or fewer passengers;
  - c. Forty-six cents per mile, provided:
    - (1) The student being transported is a student with a disability, as defined in chapter 15.1-32;
    - (2) The student's individualized education program plan requires that the student attend a public or a nonpublic school located outside the student's school district of residence;
    - (3) The student is transported by an adult member of the student's family;
    - (4) The student is transported in a vehicle furnished by the student's parents;
    - (5) The student's transportation is paid for by the student's parents; and
    - (6) The reimbursement does not exceed two round trips daily between the student's home and school.
  - d. Forty-six cents per mile, one way, provided:
    - (1) The student being transported resides more than two miles from the public school that the student attends;
    - (2) The student is transported by an adult member of the student's family;
    - (3) The student is transported in a vehicle furnished by the student's parents; and
    - (4) The student's transportation is paid for by the student's parents; and
  - e. Twenty-six cents per student for each one-way trip.
2. The superintendent of public instruction shall use the latest available student enrollment count in each school district in applying the provisions of subsection 1.
  3. If any moneys provided for transportation payments in the grants transportation line item in the appropriation bill for the superintendent of public instruction, as approved by the sixty-second legislative assembly, remain after application of the formula provided for in this section, the superintendent of public instruction shall prorate the remaining amounts according to the percentage of the total transportation formula amount to which each school district is entitled.
  4. This section does not authorize the reimbursement of any costs incurred in providing transportation for student attendance at extracurricular activities or events.

### **SECTION 37. ISOLATED SCHOOLS - TRANSITION PAYMENTS.**

1. If during the 2010-11 school year a school district received payments as a result of section 15.1-27-15, as the section existed on June 30, 2011, and if that district is not eligible for the factor established under subdivision j of subsection 1 of section 15.1-27-03.1, the district is entitled to the following transition payments:
  - a. For the 2011-12 and 2012-13 school years, an amount equal to that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011;
  - b. For the 2013-14 school year, an amount equal to seventy-five percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011;
  - c. For the 2014-15 school year, an amount equal to fifty percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011; and
  - d. For the 2015-16 school year, an amount equal to twenty-five percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011.
2. Upon the closure of a school that met the definition of isolated under section 15.1-27-15, as it existed on June 30, 2011, the superintendent of public instruction shall cease to provide to the district the transition payments established under subsection 1.

### **SECTION 38. ALTERNATIVE MIDDLE SCHOOL - GRANTS.**

1. During the second year of the 2011-13 biennium, the superintendent of public instruction shall expend up to \$300,000 from the grants - other grants line item in the appropriation bill for the superintendent of public instruction, as approved by the sixty-second legislative assembly, for the purpose of providing a grant to any school district that offers an alternative education program for students enrolled in grades six through eight.
2. In order to determine the amount that a school district may receive under this section, the superintendent of public instruction shall multiply by a factor of .15 the number of students in grades six through eight who are enrolled in an alternative education program for at least fifteen hours per week.
3. If the expenditure authorized in this section is insufficient for providing grants to all eligible school districts, the superintendent of public instruction shall prorate the grants based on the percentage of the total to which each school district is entitled.

### **SECTION 39. USE OF NEW MONEY - TEACHER COMPENSATION INCREASES - REPORTS TO THE LEGISLATIVE MANAGEMENT.**

1. During the 2011-13 biennium, the board of each school district shall use an amount equal to at least seventy percent of all new money received by the district for per student payments to increase the compensation paid to



teachers and to provide compensation to teachers who begin employment with the district on or after July 1, 2011.

2. For purposes of this section, the superintendent of public instruction shall calculate the amount of new money available during the 2011-13 biennium by:
  - a. Determining the total amount of dollars in the grants - state school aid line item in the 2011-13 appropriation bill for the superintendent of public instruction, as approved by the sixty-second legislative assembly and subtracting from that amount:
    - (1) Equity payments;
    - (2) Regional education association moneys and grants;
    - (3) PowerSchool acquisition, implementation, and utilization moneys; and
    - (4) Contingent distributions;
  - b. Determining the total amount of dollars in the grants - state school aid line item and in the grants - supplemental line item in the 2009-11 appropriation bill for the superintendent of public instruction, as approved by the sixty-first legislative assembly and subtracting from that amount:
    - (1) Equity payments;
    - (2) Regional education association moneys and grants;
    - (3) Technology support payments; and
    - (4) Contingent distributions; and
  - c. Subtracting the amount arrived at under subdivision b from the amount arrived at under subdivision a.
3. School districts providing educational services under a cooperative agreement approved by the superintendent of public instruction must, for purposes of this section, be treated as a single district.
4.
  - a. This section does not apply to a school district if the board of the school district, after a public hearing at which public testimony and documentary evidence are accepted, determines in its discretion and by an affirmative vote of two-thirds of the members of the board that complying with subsection 1 would place the school district in the position of having insufficient fiscal resources to meet the school district's other obligations.
  - b. Within ten days of the vote required by subdivision a, the school board shall notify the superintendent of public instruction of its action and shall file a report detailing the grounds for its determination and action.
  - c. The superintendent of public instruction shall report all notices received under this subsection to the legislative management.

**SECTION 40. EDUCATION FUNDING AND TAXATION COMMITTEE -  
CREATION - STUDY.**

1. The education funding and taxation committee consists of the following eight members:
  - a. The house majority leader or the leader's designee selected from among the members of the house education committee or the house finance and taxation committee;
  - b. The house minority leader or the leader's designee selected from among the members of the house education committee or the house finance and taxation committee;
  - c. The senate majority leader or the leader's designee selected from among the members of the senate education committee or the senate finance and taxation committee;
  - d. The senate minority leader or the leader's designee selected from among the members of the senate education committee or the senate finance and taxation committee;
  - e. The chairman of the house education committee, or the chairman's designee;
  - f. The chairman of the house finance and taxation committee, or the chairman's designee;
  - g. The chairman of the senate education committee, or the chairman's designee; and
  - h. The chairman of the senate finance and taxation committee, or the chairman's designee.
2. The chairman of the legislative management shall select one from among the voting members to serve as the chairman of the committee.
3. The committee shall operate according to the statutes and procedure governing the operation of other legislative management interim committees.
4. The committee shall examine short-term and longer-term state and local involvement in funding elementary and secondary education. The committee shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the legislative management.

**SECTION 41. ADULT EDUCATION - STUDY.** During the 2011-12 interim, the legislative management shall consider studying the provision and funding of adult education. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the legislative management.

**SECTION 42. ALTERNATIVE EDUCATION - MIDDLE SCHOOL - DATA  
COLLECTION - REPORT.**

1. The superintendent of public instruction shall collect data regarding the provision of services to students in grades six through eight who are enrolled in an alternative education program for at least an average of fifteen hours per week. The data must include:
  - a. The number of school districts offering alternative education programs to students in grades six through eight;
  - b. The number of students in grades six through eight who are enrolled in alternative education programs;
  - c. The number of students in grades six through eight who are enrolled in alternative education programs and who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.];
  - d. The average number of hours per week that students in grades six through eight are spending in alternative education programs;
  - e. A quantification of the students' academic accomplishments; and
  - f. Any reductions in the number of students enrolled in alternative high schools.
2. Before October 1, 2012, the superintendent of public instruction shall report the data to the legislative management.

**SECTION 43. REPEAL.** Section 5 of this Act and sections 15.1-18.2-01, 15.1-18.2-02, and 15.1-18.2-03 of the North Dakota Century Code are repealed.

**SECTION 44. REPEAL.** Section 15.1-27-15 of the North Dakota Century Code is repealed.

**SECTION 45. EFFECTIVE DATE.** Section 22 of this Act becomes effective on July 1, 2012. Section 43 of this Act becomes effective on July 1, 2013.

**SECTION 46. EFFECTIVE DATE - EXPIRATION DATE.** Section 23 of this Act is effective on July 1, 2013, through June 30, 2015, and after that date is ineffective.

**SECTION 47. EMERGENCY.** Sections 27 and 40 of this Act are declared to be an emergency measure."

Renumber accordingly

# 2011 SENATE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: Senate Education

Bill/Resolution No. 2150 as (re) engrossed

Date: 4-22-11

Roll Call Vote #: 57

**Action Taken**

- SENATE accede to House amendments
- SENATE accede to House amendments and further amend
- HOUSE recede from House amendments
- HOUSE recede from House amendments and amend as follows

Senate/House Amendments on SJ/HJ page(s) 1408 - 1442

- Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) 2150 was placed on the Seventh order of business on the calendar

Motion Made by: Rep. Kelsch Seconded by: Sen. Flakoll

Senators				Representatives			
	#	Yes	No		#	Yes	No
L. Freborg	✓	✓		R. Kelsch	✓	✓	
T. Flakoll	✓	✓		D. Monson	✓	✓	
J. Heckaman	✓	✓		C. Mock	✓	✓	

Vote Count: Yes 6 No 0 Absent 0

Senate Carrier \_\_\_\_\_ House Carrier \_\_\_\_\_

LC Number 11.0208 . 07056 of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment Hog house of all amendments

**REPORT OF CONFERENCE COMMITTEE**

**SB 2150, as reengrossed:** Your conference committee (Sens. Freborg, Flakoll, Heckaman and Reps. R. Kelsch, Monson, Mock) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1408-1442, adopt amendments as follows, and place SB 2150 on the Seventh order:

That the House recede from its amendments as printed on pages 1408-1442 of the Senate Journal and pages 1229-1268 of the House Journal and that Reengrossed Senate Bill No. 2150 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 6-09, a new section to chapter 15.1-09.1, four new sections to chapter 15.1-18.2, two new sections to chapter 15.1-21, and a new section to chapter 15.1-27 of the North Dakota Century Code, relating to required transfers, regional education associations, the professional development advisory committee, North Dakota scholarships, and state aid; to amend and reenact sections 15.1-07-33, 15.1-09.1-02, 15.1-21-02.1, 15.1-21-02.4, 15.1-21-02.5, 15.1-21-02.6, 15.1-21-08, 15.1-21-18, 15.1-21-19, 15.1-22-01, 15.1-22-02, 15.1-27-03, 15.1-27-03.1, 15.1-27-04, 15.1-27-07.2, 15.1-27-11, 15.1-27-23, 15.1-27-35.3, 15.1-36-02, and 15.1-37-01, subsection 1 of section 15.1-37-02, and section 15.1-37-03 of the North Dakota Century Code, relating to technology, regional education associations, curriculum requirements, assessments, scholarships, kindergartens, student consultations, state aid, school construction funding, and early childhood education, care, and services; to repeal section 5 of this Act and sections 15.1-18.2-01, 15.1-18.2-02, 15.1-18.2-03, and 15.1-27-15 of the North Dakota Century Code, relating to professional development and isolated schools; to provide an appropriation; to provide for compensation increases, transition payments, and the distribution of transportation grants, alternative middle school grants, and rapid enrollment growth grants; to provide for legislative management studies and reports; to provide an effective date; to provide an expiration date; and to declare an emergency.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1.** A new section to chapter 6-09 of the North Dakota Century Code is created and enacted as follows:

**Required transfer - Special education contract costs.**

If the industrial commission is notified by the superintendent of public instruction that, using all available sources, there are insufficient moneys with which to fully reimburse school districts for the excess costs of serving the one percent of special education students statewide who require the greatest school district expenditures in order to be provided with special education and related services, the industrial commission shall transfer from the earnings and accumulated and undivided profits of the Bank of North Dakota the amount that the superintendent of public instruction certifies is necessary to provide the statutorily required level of reimbursement. The superintendent of public instruction shall file for introduction legislation requesting that the ensuing legislative assembly return any amount transferred under this section to the Bank of North Dakota.

**SECTION 2. AMENDMENT.** Section 15.1-07-33 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-07-33. Student information system - Statewide coordination - Financial support - Exemption.**

1. Notwithstanding any other technology requirements imposed by the superintendent of public instruction, the information technology department, or the North Dakota educational technology council, each school district shall acquire PowerSchool through the information

technology department and use it as its principal student information system.

2. The superintendent of public instruction shall forward that portion of a school district's state aid which is payable by the superintendent under subdivision n of subsection 1 of section 15.1-27-03.1 directly to the information technology department to reimburse the department for the cost of the school district's acquisition, implementation, or utilization of PowerSchool and any related technology support services. The superintendent shall forward the amount payable under this subsection at the same time and in the same manner as provided for other state aid payments under section 15.1-27-01.
3. If the portion of a school district's state aid forwarded to the information technology department under subsection 2 exceeds the cost incurred by the information technology department in providing for the school district's acquisition, implementation, or utilization of PowerSchool and any related technology support services, the information technology department shall return the excess moneys to the superintendent of public instruction for redistribution to the school district as per student payments.
4. The superintendent of public instruction may exempt a school district from having to acquire and utilize PowerSchool if the school district demonstrates that, in accordance with requirements of the bureau of Indian education, the district has acquired and is utilizing a student information system that is determined to be comparable by the superintendent.

**SECTION 3. AMENDMENT.** Section 15.1-09.1-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-09.1-02. Regional education association—Joint powers agreement associations - Review by superintendent of public instruction - Criteria.**

Before in order for a group of school districts may to be designated as a regional education association, the superintendent of public instruction shall review the joint powers agreement that the districts have entered and verify that: the requirements of this section have been met.

1. The school districts must:
  - a. Have a combined total land mass of at least five thousand eight hundred square miles [1502193 hectares];
  - b. (1) Have a combined total land mass of at least four thousand five hundred square miles [1165494 hectares]; and  
(2) Number at least twelve;
  - c. (1) Have a combined total land mass of at least four thousand square miles [1035995 hectares]; and  
(2) Have at least three thousand students in average daily membership; or
  - d. (1) Have a combined total land mass of at least one thousand five hundred square miles [388498 hectares]; and

- (2) Have at least seven thousand five hundred students in average daily membership.
2. The school districts ~~are~~must be contiguous to each other or, if the districts are not contiguous to each other, the superintendent of public instruction shall verify that the participating districts can provide sound educational opportunities to their students in a fiscally responsible manner without injuring other school districts or regional education associations and without negatively impacting the ability of other school districts or regional education associations to provide sound educational opportunities to their students in a fiscally responsible manner. A decision by the superintendent of public instruction under this subsection may be appealed to the state board of public school education. A decision by the state board is final.
3. The joint powers agreement ~~requires~~must require that the participating school districts maintain a joint operating fund ~~and share various administrative functions and student services in accordance with subsection 4.~~
4.
  - a. ~~During the first two school years in which a regional education association is operational, each participating school district shall share in at least two administrative functions and two student services, selected by the district.~~
  - b. ~~During the third and fourth school years in which a regional education association is operational, each participating school district shall share in at least three administrative functions and three student services, selected by the district.~~
  - e. ~~During the fifth school year in which a regional education association is operational, and each year thereafter, each participating school district shall share at least five administrative functions and five student services, selected by the district.~~
  - d. For purposes of this subsection:
    - (1) "Administrative functions" means:
      - (a) Business management;
      - (b) Career and technical education services management;
      - (c) Curriculum mapping or development;
      - (d) Data analysis;
      - (e) Federal program support;
      - (f) Federal title program management;
      - (g) Grant writing;
      - (h) School improvement;
      - (i) School safety and environment management;
      - (j) Special education services management;
      - (k) Staff development;

- (l) ~~Staff retention and recruitment;~~
  - (m) ~~Staff sharing;~~
  - (n) ~~Technology support; and~~
  - (o) ~~Any other functions approved by the superintendent of public instruction.~~
- (2) "Student services" means:
- (a) ~~Advanced placement classes;~~
  - (b) ~~Alternative high schools or alternative high school programs;~~
  - (c) ~~Career and technical education classes;~~
  - (d) ~~Counseling services;~~
  - (e) ~~Common elementary curricula;~~
  - (f) ~~Distance learning classes;~~
  - (g) ~~Dual credit classes;~~
  - (h) ~~Foreign language classes;~~
  - (i) ~~Library and media services;~~
  - (j) ~~Summer programs;~~
  - (k) ~~Supplemental instruction programs; and~~
  - (l) ~~Any other services approved by the superintendent of public instruction.~~
- e. ~~For purposes of this subsection, if a regional education association became operational before July 1, 2006, the 2005-06 school year must be considered the provider's first year of operation.~~
6. The joint powers agreement ~~provides~~must provide:
- a. Criteria for the future participation of school districts that were not parties to the original joint powers agreement;
  - b. An application process by which school districts that were not parties to the original joint powers agreement can become participating districts; and
  - c. A process by which school districts that were not parties to the original joint powers agreement and whose application to participate in the agreement was denied can appeal the decision to the superintendent of public instruction.
- 6.5. The joint powers agreement ~~provides~~must provide for the employment and compensation of staff.
- 7.6. The joint powers agreement must:



- a. ~~Establishes~~Establish the number of members on the governing board;
  - b. ~~Establishes~~Establish the manner in which members of the governing board are determined;
  - c. ~~Requires all members~~Require that each member of the governing board ~~or their designees to be individuals~~be an individual currently serving on the board of a participating school district ~~or the designee of a participating school district's board~~; and
  - d. ~~Allows~~Allow for the inclusion of ex officio nonvoting members on the governing board.
- 8-7. The joint powers agreement ~~provides~~must provide that the board of the regional education association shall meet at least quarterly.
- 9-8. The joint powers agreement ~~does~~may not permit the regional education association to compensate members of the regional education association board for attending meetings of the board and does not permit the regional education association to reimburse members of the board for any expenses incurred in attending meetings of the board.

**SECTION 4.** A new section to chapter 15.1-09.1 of the North Dakota Century Code is created and enacted as follows:

**Regional education association - Services to be offered.**

1. In order to be eligible for state funding, a regional education association must offer the following services to its member districts:
  - a. Coordination and facilitation of professional development activities for teachers and administrators employed by its member districts;
  - b. Supplementation of technology support services;
  - c. Assistance with achieving school improvement goals identified by the superintendent of public instruction;
  - d. Assistance with the collection, analysis, and interpretation of student achievement data; and
  - e. Assistance with the expansion and enrichment of curricular offerings.
2. Subsection 1 does not preclude a regional education association from offering additional services to its member districts.

**SECTION 5.** A new section to chapter 15.1-18.2 of the North Dakota Century Code is created and enacted as follows:

**Professional development advisory committee - Reimbursement of members.**

Each member of the professional development advisory committee is entitled to receive reimbursement for expenses as provided by law for state officers if the member is attending committee meetings, except that no member may receive reimbursement under this section for more than three committee meetings during each year of the biennium.

**SECTION 6.** A new section to chapter 15.1-18.2 of the North Dakota Century Code is created and enacted as follows:

**Teacher support program - Establishment.**

The education standards and practices board shall:

1. Establish and administer a teacher support program:
2. Employ an individual to serve as a teacher support program coordinator:
3. a. Select and train experienced teachers who will serve as mentors for first-year teachers and assist the first-year teachers with instructional skills development; or
  - b. If a school district or other employing entity listed in section 9 of this Act is not in need of mentors for its first-year teachers, select and train experienced teachers who will work with school district administrators and administrators from the other employing entities to identify the needs of the non-first-year teachers and help the non-first-year teachers address their particular needs through the use of:
    - (1) Research-validated interventions; and
    - (2) Proven instructional methods.

**SECTION 7.** A new section to chapter 15.1-18.2 of the North Dakota Century Code is created and enacted as follows:

**Teacher support program - Availability of services.**

The education standards and practices board may use any moneys it receives for the teacher support program to provide staff compensation, training, evaluation, and stipends for mentors and experienced teachers who assist first-year and non-first-year teachers participating in the program, and to pay for any other administrative expenses resulting from the program; provided, however, that the board may not expend more than five percent of the moneys for administrative purposes.

**SECTION 8.** A new section to chapter 15.1-18.2 of the North Dakota Century Code is created and enacted as follows:

**Teacher support program - Authorized service recipients.**

The education standards and practices board may provide support services to teachers employed by:

1. School districts;
2. Special education units;
3. Area career and technology centers;
4. Regional education associations; and
5. Schools funded by the bureau of Indian education.

**SECTION 9. AMENDMENT.** Section 15.1-21-02.1 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.1. High school graduation—~~Diploma requirements~~diploma -  
Minimum units.**

Except as provided in section 15.1-21-02.3, before a school district, a nonpublic high school, or the center for distance education issues a high school diploma to a student, the student must have successfully completed ~~the following twenty-two units of high school coursework:~~

- ~~1. Four units of English language arts from a sequence that includes literature, composition, and speech;~~
- ~~2. Three units of mathematics;~~
- ~~3. Three units of science, including:
  - ~~a. One unit of physical science;~~
  - ~~b. One unit of biology; and~~
  - ~~c. (1) One unit of any other science; or~~  
~~(2) Two one-half units of any other science;~~~~
- ~~4. Three units of social studies, including:
  - ~~a. One unit of United States history;~~
  - ~~b. (1) One-half unit of United States government and one-half unit of economics; or~~  
~~(2) One unit of problems of democracy; and~~
  - ~~c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;~~~~
- ~~5. 
  - ~~a. One unit of physical education; or~~
  - ~~b. One-half unit of physical education and one-half unit of health;~~~~
- ~~6. Three units of:
  - ~~a. Foreign languages;~~
  - ~~b. Native American languages;~~
  - ~~c. Fine arts; or~~
  - ~~d. Career and technical education courses; and~~~~
- ~~7. Any five additional units.~~
1. The twenty-two units of high school coursework set forth in section 10 of this Act, and
2. Any additional units of high school coursework required by the issuing entity.

**SECTION 10.** A new section to chapter 15.1-21 of the North Dakota Century Code is created and enacted as follows:

High school graduation - Minimum requirements.

Except as provided in section 15.1-21-02.3, the following twenty-two units of high school coursework constitute the minimum requirement for high school graduation:

1. Four units of English language arts from a sequence that includes literature, composition, and speech;
2. Three units of mathematics;
3. Three units of science, including:
  - a. One unit of physical science;
  - b. One unit of biology; and
  - c. (1) One unit of any other science; or  
(2) Two one-half units of any other science;
4. Three units of social studies, including:
  - a. One unit of United States history;
  - b. (1) One-half unit of United States government and one-half unit of economics; or  
(2) One unit of problems of democracy; and
  - c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;
5. a. One unit of physical education; or  
b. One-half unit of physical education and one-half unit of health;
6. Three units of:
  - a. Foreign languages;
  - b. Native American languages;
  - c. Fine arts; or
  - d. Career and technical education courses; and
7. Any five additional units.

**SECTION 11. AMENDMENT.** Section 15.1-21-02.4 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.4. North Dakota career and technical education scholarship.**

Any resident student who graduates from a high school during or after the 2010-11 school year is eligible to receive a North Dakota career and technical education scholarship provided the student ~~completes all requirements set forth in subsections 1 through 5 and subsection 7 of section 15.1-21-02.1 for a high school diploma and:~~

1. Completed four units of English language arts from a sequence that includes literature, composition, and speech;
2. Completed three units of mathematics, including:
  - a. ~~Completes one~~One unit of algebra II, as defined by the superintendent of public instruction, ~~in fulfillment of the mathematics requirement set forth in subsection 2 of section 16.1-21-02.1; and~~
  - b. ~~Completes two~~Two units of any other mathematics;
3. Completed three units of science, including:
  - a. One unit of physical science;
  - b. One unit of biology; and
  - c. (1) One unit of any other science; or  
(2) Two one-half units of any other science;
4. Completed three units of social studies, including:
  - a. One unit of United States history;
  - b. (1) One-half unit of United States government and one-half unit of economics; or  
(2) One unit of problems of democracy; and
  - c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;
5. a. Completed one unit of physical education; or  
b. One-half unit of physical education and one-half unit of health;
6. Completed:
  - a. One unit selected from:
    - (1) Foreign languages;
    - (2) Native American languages;
    - (3) American sign language;
    - (4) Fine arts; or
    - (5) Career and technical education courses; and
  - b. Two units of a coordinated plan of study recommended by the department of career and technical education and approved by the superintendent of public instruction; and
- e-7. ~~Completes three~~Completed any five additional units, two of which must be in the area of career and technical education;

2. ~~Obtains a grade of at least "C" in each unit or one-half unit required for the diploma;~~
- 3-8. a. (1) ~~Obtains~~Obtained a cumulative grade point average of at least "B"3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based on all high school units in which the student was enrolled; and
- (2) Obtained a grade of at least "C" in each unit or one-half unit; or
- b. (1) Obtained a cumulative grade point average of at least 3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based only on the units required by subsections 1 through 7 of this section; and
- (2) Obtained a grade of at least "C" in each unit or one-half unit; and
- 4-9. ~~Receives~~Received:
- a. A composite score of at least twenty-four on an ACT; or
- b. A score of at least five on each of three WorkKeys assessments recommended by the department of career and technical education and approved by the superintendent of public instruction.

**SECTION 12. AMENDMENT.** Section 15.1-21-02.5 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.5. North Dakota academic scholarship.**

Any resident student who graduates from a high school during or after the 2010-11 school year is eligible to receive a North Dakota academic scholarship provided the student ~~completes all requirements set forth in subsections 1 through 5 and subsection 7 of section 15.1-21-02.1 for a high school diploma and:~~

1. Completed four units of English language arts from a sequence that includes literature, composition, and speech;
2. Completed three units of mathematics, including:
  - a. ~~Completes one~~One unit of algebra II, as defined by the superintendent of public instruction, ~~in fulfillment of the mathematics requirement set forth in subsection 2 of section 15.1-21-02.1; and~~
  - b. ~~Completes one additional~~One unit of mathematics for which algebra II, as defined by the superintendent of public instruction, is a prerequisite; ~~and~~
3. ~~Completes~~Completed three units of science, including:
  - a. One unit of physical science;
  - b. One unit of biology; and
  - c. (1) One unit of any other science; or  
(2) Two one-half units of any other science;
4. Completed three units of social studies, including:

- a. One unit of United States history;
  - b. (1) One-half unit of United States government and one-half unit of economics; or  
(2) One unit of problems of democracy; and
  - c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;
5. a. Completed one unit of physical education; or  
b. One-half unit of physical education and one-half unit of health;
6. a. Completed:  
(1) Two units of the same foreign or native American language;  
(2) One unit of fine arts or career and technical education American sign language; and  
(3) b. One unit of a foreign or native selected from:  
(1) Foreign languages;  
(2) Native American language, fine languages;  
(3) American sign language;  
(4) Fine arts, or career, or  
(5) Career and technical education;
2. ~~Obtains a grade of at least "C" in each unit or one-half unit required for the diploma;~~
- 3-7. ~~Obtains~~ Completed any five additional units, one of which must be in the area of fine arts or career and technical education;
8. a. (1) Obtained a cumulative grade point average of at least "B" 3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based on all high school units in which the student was enrolled; and  
(2) Obtained a grade of at least "C" in each unit or one-half unit; or  
b. (1) Obtained a cumulative grade point average of at least 3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based only on the units required by subsections 1 through 7 of this section; and  
(2) Obtained a grade of at least "C" in each unit or one-half unit;
- 4-9. ~~Receives~~ Received a composite score of at least twenty-four on an ACT; and
- 5-10. a. ~~Completes~~ Fulfilled any one unit requirement set forth in subsections 1 through 7 of this section by means of an advanced placement course and examination; or

- b. Fulfilled any one-half unit requirement set forth in subsections 1 through 7 of this section by means of a dual-credit course.

**SECTION 13. AMENDMENT.** Section 15.1-21-02.6 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.6. North Dakota scholarship - Amount - Applicability.**

1. a. The state board of higher education shall provide to any student certified as being eligible by the superintendent of public instruction either a North Dakota academic scholarship or a North Dakota career and technical education scholarship in the amount of seven hundred fifty dollars for each semester during which the student is enrolled full time at an accredited institution of higher education in this state and maintains a cumulative grade point average of 2.75.
- b. The state board of higher education shall provide to any student certified as being eligible by the superintendent of public instruction either a North Dakota academic scholarship or a North Dakota career and technical education scholarship in the amount of five hundred dollars for each quarter during which the student is enrolled full time at an accredited institution of higher education in this state and maintains a cumulative grade point average of 2.75.
2. The state board shall monitor each scholarship recipient to ensure that the student meets the academic and other requirements of this section. Upon determining that a recipient student has failed to meet the requirements of this section, the board shall provide notification to the student within ten days.
- ~~2-3.~~ A student is not entitled to receive more than six thousand dollars under this section.
- ~~3-4.~~ The state board of higher education shall forward the scholarship directly to the institution in which the student is enrolled.
- ~~4-5.~~ a. (1) This section does not require a student to be enrolled in consecutive semesters.  
(2) This section does not require a student to be enrolled in consecutive quarters.
- b. However, a scholarship under this section is valid only for six academic years after the student's graduation from high school and may not be applied to graduate programs.
- ~~5-6.~~ A scholarship under this section is available to any eligible student who graduates from a high school in this state or from a high school in a bordering state under chapter 15.1-29.
7. For purposes of North Dakota scholarship eligibility under this section, "full-time" means enrollment in at least twelve credits during a student's first two semesters and enrollment in at least fifteen credits during each semester thereafter or enrollment in the equivalent number of credits, as determined by the state board of higher education, with respect to students in a quarter system.

**SECTION 14.** A new section to chapter 15.1-21 of the North Dakota Century Code is created and enacted as follows:



**North Dakota scholarship - Eligibility - One-time exception.**

1. a. Notwithstanding section 15.1-21-02.6, if a student's cumulative grade point average as determined by the state board of higher education at the conclusion of a semester is below 2.75, the board shall grant an exception and provide the North Dakota scholarship to which the student would otherwise be entitled for the next semester in which the student is enrolled full time. The exception provided by this section is applicable to a student only one time.
- b. If a student's cumulative grade point average as determined by the state board of higher education at the conclusion of a semester is below 2.75 for a second time, the student is no longer eligible to receive any additional North Dakota academic or career and technical education scholarships.
2. a. Notwithstanding section 15.1-21-02.6, if a student's cumulative grade point average as determined by the state board of higher education at the conclusion of a quarter is below 2.75, the board shall grant an exception and provide the North Dakota scholarship to which the student would otherwise be entitled for the next quarter in which the student is enrolled full time. The exception provided by this section is applicable to a student only one time.
- b. If a student's cumulative grade point average as determined by the state board of higher education at the conclusion of a quarter is below 2.75 for a second time, the student is no longer eligible to receive any additional North Dakota academic or career and technical education scholarships.

**SECTION 15. AMENDMENT.** Section 15.1-21-08 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-08. Reading, mathematics, and science - Administration of test.**

1. ~~The superintendent of public instruction shall administer to public school students a test that is aligned to the state content and achievement standards in reading and mathematics. This test must be administered to all public school students in at least one grade level selected within each of the following grade spans: grades three through five; grades six through nine; and grades ten through twelve. Beginning no later than the 2005-06 school year and annually thereafter, the superintendent of public instruction shall administer the reading and mathematics test annually to all public school students in grades three, four, five, six, seven, eight, and eleven.~~
2. ~~Beginning no later than the 2007-08 school year and annually thereafter,~~ The superintendent of public instruction shall administer a test that is aligned to the state content and achievement standards in science. This test must be administered to all public school students in at least one grade level selected from three through five; in at least one grade level selected from six through nine; and in grade eleven. The superintendent of public instruction may not administer the grade eleven test after December first of each school year.

**SECTION 16. AMENDMENT.** Section 15.1-21-18 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-18. Career interest inventory - Educational and career planning - Consultation.**

1. A school district shall administer to students, once during their enrollment in grade seven or eight and once during their enrollment in grade nine or ten, a career interest inventory recommended by the department of career and technical education and approved by the superintendent of public instruction.
2. At least once during the seventh or eighth grade, each school district shall arrange for students to participate in either an individual consultative process or a nine-week course, for the purpose of discussing the results of their career interest inventory, selecting high school courses appropriate to their educational pursuits and career interests, and developing individual high school education plans.
3. Each school district shall notify its high school students that, upon request, a student is entitled to receive a consultative review of the student's individual high school education plan at least once during each high school grade. Upon the request of a student, the school district shall provide the consultative review.
4. Each school district shall verify compliance with the requirements of this section at the time and in the manner required by the superintendent of public instruction.

**SECTION 17. AMENDMENT.** Section 15.1-21-19 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-19. Summative assessment - Selection - Cost - Exemptions.**

1. Except as otherwise provided, each public and nonpublic school student in grade eleven shall take the ACT, including the writing test, or three WorkKeys assessments recommended by the department of career and technical education and approved by the superintendent of public instruction. The student shall determine which summative assessment to take. ~~The student's school district of residence~~ superintendent of public instruction is responsible for the cost of procuring and administering one summative assessment and its administration per student.
2. The student's career advisor or guidance counselor shall meet with the student to review the student's assessment results.
3. A school district superintendent or a school administrator in the case of a nonpublic school student may exempt a student from the requirements of this section if taking the test is not required by the student's individualized education program plan or if other special circumstances exist.
4. ~~If the superintendent of public instruction determines that the cost of the summative assessment and its administration can be reduced through use of a state procurement process, the superintendent shall work with the school districts to procure and arrange for the administration of the assessment and shall withhold each district's share of the total cost from any state aid otherwise payable to the district.~~ At the time and in the manner determined by the superintendent of public instruction, each school district superintendent and each school administrator in the case of a nonpublic school shall report the number of eleventh grade students who:
  - a. Took the ACT, including the writing test.

- b. Took the three WorkKeys assessments; and
- c. Were exempted from the requirements of this section, together with the reason for each exemption.

**SECTION 18. AMENDMENT.** Section 15.1-22-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-22-01. Kindergarten - Establishment by board - Request by parent - Levy.**

1. ~~Upon its own motion, the~~The board of a school district ~~may establish a free public kindergarten.~~
2. ~~If the board receives a written request to provide kindergarten from the parent of a student who will be enrolled in the kindergarten, the board shall either provide at least a half-day kindergarten program for the~~any student enrolled in the district or pay the tuition required for the student to attend ~~at least a half-day~~a kindergarten program in another school district.
- ~~3.2.~~ 2. The board of a school district that establishes a kindergarten under this section may levy a tax pursuant to subdivision p of subsection 1 of section 57-15-14.2.

**SECTION 19. AMENDMENT.** Section 15.1-22-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-22-02. Public kindergarten - Requirements.**

A school district operating a kindergarten:

1. ~~May not employ an individual as a kindergarten teacher unless the individual is licensed to teach by the education standards and practices board or approved by the education standards and practices board;~~
2. ~~Shall submit to the superintendent of public instruction and follow a developmentally appropriate curriculum;~~
3. ~~Shall provide at least the equivalent of thirty full days of kindergarten instruction, on a half-day or full-day basis, as determined by the school board;~~
4. Shall provide for a kindergarten instructional calendar equal to at least fifty percent of the full-time instructional days required in accordance with section 15.1-06-04;
5. Shall apply all municipal and state health, fire, and safety requirements to the kindergarten; and
- ~~5.6.~~ 6.6. May not enroll a child who is not five years old before August first of the year of enrollment, unless the child will be five years old before December first and:
  - a. The child, by means of developmental and readiness screening instruments approved by the superintendent of public instruction and administered by the kindergarten operator, can demonstrate academic, social, and emotional readiness; or
  - b. The child has been enrolled in another approved kindergarten.

**SECTION 20. AMENDMENT.** Section 15.1-27-03 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-03. Cost of education - Determination.**

1. The superintendent of public instruction shall determine the educational cost per student.
2. In determining the educational cost per student, the superintendent may not use:
  - a. Capital outlay for buildings;
  - b. Capital outlay for sites;
  - c. Capital outlay for debt service;
  - d. Expenditures for school activities;
  - e. Expenditures for school lunch programs;
  - f. Expenditures for transportation costs, including schoolbuses; or
  - g. Expenditures for early childhood education.

**SECTION 21. AMENDMENT.** Section 15.1-27-03.1 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-03.1. ~~(Effective through June 30, 2011) Weighted average daily membership - Determination.~~**

1. ~~For each school district, the superintendent of public instruction shall multiply by:~~
  - a. ~~1.00 the number of full-time equivalent students enrolled in a migrant summer program;~~
  - b. ~~1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;~~
  - c. ~~0.60 the number of full-time equivalent students enrolled in a summer education program;~~
  - d. ~~0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;~~
  - e. ~~0.30 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and are enrolled in a program of instruction for English language learners;~~
  - f. ~~0.25 the number of full-time equivalent students enrolled in an alternative high school;~~
  - g. ~~0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
  - h. ~~0.25 the number of full-time equivalent students enrolled in an isolated high school;~~

- i. ~~0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;~~
  - j. ~~0.20 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be not proficient and are enrolled in a program of instruction for English language learners;~~
  - k. ~~0.17 the number of full-time equivalent students enrolled in an early childhood special education program;~~
  - l. ~~0.07 the number of students enrolled in average daily membership, in order to support the provision of special education services;~~
  - m. ~~0.07 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be somewhat proficient and are enrolled in a program of instruction for English language learners;~~
  - n. ~~0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; and~~
  - o. ~~0.002 the number of students enrolled in average daily membership, in order to support technology.~~
2. ~~The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.~~

**(Effective after June 30, 2014) Weighted average daily membership - Determination.**

1. For each school district, the superintendent of public instruction shall multiply by:
  - a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;
  - b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;
  - c. 0.60 the number of full-time equivalent students enrolled in a summer education program;
  - d. 0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;
  - e. 0.30 the number of full-time equivalent students who ~~are~~
    - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and placed in the first of six categories of proficiency; and are
    - (2) Are enrolled in a program of instruction for English language learners;

- f. 0.25 the number of full-time equivalent students enrolled in an alternative high school;
- g. ~~0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
- h. ~~0.25 the number of full-time equivalent students enrolled in an isolated high school;~~
- i. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;
- j-h. 0.20 the number of full-time equivalent students who ~~are~~
  - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be ~~not~~more proficient than students placed in the first of six categories of proficiency and therefore placed in the second of six categories of proficiency; and are
  - (2) Are enrolled in a program of instruction for English language learners;
- k-l. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;
- t-j. ~~0.070.10~~ the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average daily membership and the district consists of an area greater than two hundred seventy-five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students in average daily membership must be deemed to have an enrollment equal to fifty students in average daily membership;
- k. ~~0.073~~ the number of students enrolled in average daily membership, in order to support the provision of special education services;
- ~~m-l.~~ 0.07 the number of full-time equivalent students who ~~are~~
  - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be ~~some~~what more proficient and are than students placed in the second of six categories of proficiency and therefore placed in the third of six categories of proficiency;
  - (2) Are enrolled in a program of instruction for English language learners; and
  - (3) Have not been in the third of six categories of proficiency for more than three years;
- n-m. 0.025 the number of students representing that percentage of the total number of students in average daily membership which is equivalent to the three-year average percentage of students in grades three through eight who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.];

- n. 0.006 the number of students enrolled in average daily membership in each public school in the district that:
    - (1) Has acquired and is utilizing the PowerSchool student information system;
    - (2) Has acquired and is in the process of implementing the PowerSchool student information system; or
    - (3) Will acquire the PowerSchool student information system during the current school year, provided the acquisition is contractually demonstrated; and
  - o. 0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; and
  - p. ~~0.002 the number of students enrolled in average daily membership, in order to support technology.~~
2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.

**SECTION 22. AMENDMENT.** Section 15.1-27-03.1 of the North Dakota Century Code is amended and reenacted as follows:

**~~15.1-27-03.1. (Effective through June 30, 2011) Weighted average daily membership—Determination.~~**

- 1. ~~For each school district, the superintendent of public instruction shall multiply by:~~
  - a. ~~1.00 the number of full-time equivalent students enrolled in a migrant summer program;~~
  - b. ~~1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;~~
  - c. ~~0.60 the number of full-time equivalent students enrolled in a summer education program;~~
  - d. ~~0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;~~
  - e. ~~0.30 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and are enrolled in a program of instruction for English language learners;~~
  - f. ~~0.25 the number of full-time equivalent students enrolled in an alternative high school;~~
  - g. ~~0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
  - h. ~~0.25 the number of full-time equivalent students enrolled in an isolated high school;~~

- ~~i. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-20-01;~~
  - ~~j. 0.20 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be not proficient and are enrolled in a program of instruction for English language learners;~~
  - ~~k. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;~~
  - ~~l. 0.07 the number of students enrolled in average daily membership, in order to support the provision of special education services;~~
  - ~~m. 0.07 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be somewhat proficient and are enrolled in a program of instruction for English language learners;~~
  - ~~n. 0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; and~~
  - ~~o. 0.002 the number of students enrolled in average daily membership, in order to support technology.~~
2. ~~The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.~~

**(Effective after June 30, 2014) Weighted average daily membership - Determination.**

1. For each school district, the superintendent of public instruction shall multiply by:
  - a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;
  - b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;
  - c. 0.60 the number of full-time equivalent students enrolled in a summer education program;
  - d. 0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;
  - e. 0.30 the number of full-time equivalent students who ~~en~~:
    - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and placed in the first of six categories of proficiency; and are
    - (2) Are enrolled in a program of instruction for English language learners;



- f. 0.25 the number of full-time equivalent students enrolled in an alternative high school;
- g. ~~0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
- h. ~~0.25 the number of full-time equivalent students enrolled in an isolated high school;~~
- i. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;
- j-h. 0.20 the number of full-time equivalent students who ~~en~~:
  - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be ~~not more proficient than students placed in the first of six categories of proficiency and therefore placed in the second of six categories of proficiency;~~ and are
  - (2) Are enrolled in a program of instruction for English language learners;
- k-i. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;
- l-j. ~~0.070.10 the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average daily membership and the district consists of an area greater than two hundred seventy-five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students in average daily membership must be deemed to have an enrollment equal to fifty students in average daily membership;~~
- k. ~~0.079~~ the number of students enrolled in average daily membership, in order to support the provision of special education services;
- m-l. 0.07 the number of full-time equivalent students who ~~en~~:
  - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be ~~semewhat more proficient and are than students placed in the second of six categories of proficiency and therefore placed in the third of six categories of proficiency;~~
  - (2) Are enrolled in a program of instruction for English language learners; and
  - (3) Have not been in the third of six categories of proficiency for more than three years;
- n-m. 0.025 the number of students representing that percentage of the total number of students in average daily membership which is equivalent to the three-year average percentage of students in grades three through eight who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.];

- n. 0.006 the number of students enrolled in average daily membership in each public school in the district that:
    - (1) Has acquired and is utilizing the PowerSchool student information system;
    - (2) Has acquired and is in the process of implementing the PowerSchool student information system; or
    - (3) Will acquire the PowerSchool student information system during the current school year, provided the acquisition is contractually demonstrated; and
  - o. 0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; and
  - p. ~~0.002 the number of students enrolled in average daily membership, in order to support technology.~~
2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.

**SECTION 23. AMENDMENT.** Section 15.1-27-03.1 of the North Dakota Century Code is amended and reenacted as follows:

**~~15.1-27-03.1. (Effective through June 30, 2011) Weighted average daily membership—Determination.~~**

- 1. ~~For each school district, the superintendent of public instruction shall multiply by:~~
  - a. ~~1.00 the number of full-time equivalent students enrolled in a migrant summer program;~~
  - b. ~~1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;~~
  - c. ~~0.60 the number of full-time equivalent students enrolled in a summer education program;~~
  - d. ~~0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;~~
  - e. ~~0.30 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and are enrolled in a program of instruction for English language learners;~~
  - f. ~~0.25 the number of full-time equivalent students enrolled in an alternative high school;~~
  - g. ~~0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
  - h. ~~0.25 the number of full-time equivalent students enrolled in an isolated high school;~~

- ~~i. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;~~
  - ~~j. 0.20 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be not proficient and are enrolled in a program of instruction for English language learners;~~
  - ~~k. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;~~
  - ~~l. 0.07 the number of students enrolled in average daily membership, in order to support the provision of special education services;~~
  - ~~m. 0.07 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be somewhat proficient and are enrolled in a program of instruction for English language learners;~~
  - ~~n. 0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-00.1; and~~
  - ~~e. 0.002 the number of students enrolled in average daily membership, in order to support technology.~~
2. ~~The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.~~

**(Effective after June 30, 2014) Weighted average daily membership - Determination.**

1. For each school district, the superintendent of public instruction shall multiply by:
  - a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;
  - b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;
  - c. 0.60 the number of full-time equivalent students enrolled in a summer education program;
  - d. 0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;
  - e. 0.30 the number of full-time equivalent students who ~~en~~
    - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and placed in the first of six categories of proficiency, and are
    - (2) Are enrolled in a program of instruction for English language learners;

- f. 0.25 the number of full-time equivalent students enrolled in an alternative high school;
- g. ~~0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
- h. ~~0.25 the number of full-time equivalent students enrolled in an isolated high school;~~
- i. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;
- ~~j-h.~~ 0.20 the number of full-time equivalent students who ~~are~~:
  - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be not more proficient than students placed in the first of six categories of proficiency and therefore placed in the second of six categories of proficiency; and are
  - (2) Are enrolled in a program of instruction for English language learners;
- k-i. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;
- j. 0.15 the number of full-time equivalent students in grades six through eight enrolled in an alternative education program for at least an average of fifteen hours per week;
- ~~t-k.~~ 0.070.10 the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average daily membership and the district consists of an area greater than two hundred seventy-five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students in average daily membership must be deemed to have an enrollment equal to fifty students in average daily membership;
- l. 0.079 the number of students enrolled in average daily membership, in order to support the provision of special education services;
- m. 0.07 the number of full-time equivalent students who ~~are~~:
  - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be somewhat more proficient and are than students placed in the second of six categories of proficiency and therefore placed in the third of six categories of proficiency;
  - (2) Are enrolled in a program of instruction for English language learners; and
  - (3) Have not been in the third of six categories of proficiency for more than three years;
- n. 0.025 the number of students representing that percentage of the total number of students in average daily membership which is equivalent to the three-year average percentage of students in grades three through eight who are eligible for free or reduced

lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.];

- o. 0.006 the number of students enrolled in average daily membership in each public school in the district that:
  - (1) Has acquired and is utilizing the PowerSchool student information system;
  - (2) Has acquired and is in the process of implementing the PowerSchool student information system; or
  - (3) Will acquire the PowerSchool student information system during the current school year, provided the acquisition is contractually demonstrated; and
- p. 0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; and
- p. ~~0.002 the number of students enrolled in average daily membership, in order to support technology.~~

- 2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.

**SECTION 24. AMENDMENT.** Section 15.1-27-04 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-04. Per student payment rate.**

- 1. a. The per student payment rate to which each school district is entitled for the first year of the biennium is three thousand ~~two~~nine hundred ~~ten~~ dollars.
- b. The per student payment rate to which each school district is entitled for the second year of the biennium is three thousand ~~seven~~nine hundred ~~seventy-nine~~eighty dollars.
- 2. In order to determine the state aid payment to which each district is entitled, the superintendent of public instruction shall multiply each district's weighted student units by the per student payment rate set forth in subsection 1.

**SECTION 25. AMENDMENT.** Section 15.1-27-07.2 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-07.2. Baseline funding - Determination - Minimum and maximum allowable increases.**

- 1. The superintendent of public instruction shall determine each school district's baseline funding per weighted student unit by:
  - a. Adding together all state aid received by the district during the 2006-07 school year;
  - b. Subtracting the amount received by the district during the 2006-07 school year for transportation aid, special education excess cost reimbursements, special education contracts, prior year funding

- adjustments, and per student payments for participation in educational associations governed by joint powers agreements; and
- c. Dividing the amount determined under subdivision b by the district's 2007-08 weighted student units.
2.
    - a. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, for the 2009-10 school year, is at least equal to one hundred eight percent of the baseline funding per weighted student unit, as established in subsection 1.
    - b. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, for each school year after the 2009-10 school year, is at least equal to one hundred twelve and one-half percent of the baseline funding per weighted student unit, as established in subsection 1.
  3.
    - a. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, less any amount received as equity payments under section 15.1-27-11 per weighted student unit, does not exceed, for the ~~2009-10~~2011-12 school year, one hundred ~~twentyfour~~two percent of the baseline funding per weighted student unit, as established in subsection 1.
    - b. ~~The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, less any amount received as equity payments under section 15.1-27-11 per weighted student unit, does not exceed, for each school year after the 2009-10 school year, one hundred thirty four percent of the baseline funding per weighted student unit, as established in subsection 1.~~

**SECTION 26. AMENDMENT.** Section 15.1-27-11 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-11. Equity payments.**

1. The superintendent of public instruction shall:
  - a. Divide the imputed taxable valuation of the state by the total average daily membership of all school districts in the state in order to determine the state average imputed taxable valuation per student.
  - b. Divide the imputed taxable valuation of each school district by the district's total average daily membership in order to determine each district's average imputed taxable valuation per student.
2. If a school district's imputed taxable valuation per student is less than ninety percent of the statewide imputed taxable valuation per student, the superintendent of public instruction shall calculate the valuation deficiency by:
  - a. Determining the difference between ninety percent of the state average imputed taxable valuation per student and the district's average imputed taxable valuation per student; and
  - b. Multiplying that difference by the district's total average daily membership.

3. Except as provided in subsection 4, the equity payment to which a district is entitled under this section equals the district's valuation deficiency multiplied by the lesser of:
  - a. The district's general fund levy for the taxable year 2008; or
  - b. One hundred eighty-five mills.
4.
  - a. The equity payment to which a district is entitled may not exceed the district's taxable valuation multiplied by its general fund levy for the taxable year 2008.
  - b. If a district's general fund levy for the taxable year 2008 is less than one hundred eighty-five mills, the superintendent of public instruction shall subtract the district's general fund levy for the taxable year 2008 from one hundred eighty-five mills, multiply the result by the district's taxable valuation, and subtract that result from the equity payment to which the district is otherwise entitled.
  - c. If a district's imputed taxable valuation per student is less than fifty percent of the statewide imputed taxable valuation per student, the payment to which the district is entitled under this section may not be less than twenty percent of the statewide imputed taxable valuation per student times the school district's average daily membership, multiplied by one hundred eighty-five mills.
5. In determining the amount to which a school district is entitled under this section, the superintendent of public instruction may not include any payments received by the district as a result of Public Law No. 81-874 [64 Stat. 1100; 20 U.S.C. 236 et seq.] and may not include in the district's average daily membership students who are dependents of members of the armed forces and students who are dependents of civilian employees of the department of defense.
6. In determining the statewide average imputed taxable valuation per student for purposes of this section, the superintendent of public instruction may not include:
  - a. Any school district, which if included in the calculation would have an imputed taxable valuation per student that is three times greater than the statewide average imputed taxable valuation per student; and
  - b. Any school district, which if included in the calculation would have an imputed taxable valuation per student that is less than one-fifth of the statewide average imputed taxable valuation per student.
7. For purposes of this section:
  - a. "General fund levy" includes a district's high school transportation levy and its high school tuition levy.
  - b. "Imputed taxable valuation" means the valuation of all taxable real property in the district plus:
    - (1) An amount determined by dividing seventy percent of the district's mineral and tuition revenue, revenue from payments in lieu of property taxes on distribution and transmission of electric power, revenue from payments in lieu of taxes from electricity generated from sources other than coal, and revenue received on account of the leasing of lands acquired by the United States for flood control, navigation, and allied purposes

in accordance with 33 U.S.C. 701c-3 by the district's general fund mill levy for the taxable year 2008; and

- (2) An amount determined by dividing the district's revenue from mobile home taxes and telecommunications taxes by the district's general fund mill levy for the taxable year 2008.
- c. "Mineral revenue" includes all revenue from county sources reported under code 2000 of the North Dakota school district financial accounting and reporting manual as developed by the superintendent of public instruction in accordance with section 15.1-02-08.
- d. "Tuition revenue" includes all revenue reported under code 1300 of the North Dakota school district financial accounting and reporting manual as developed by the superintendent of public instruction in accordance with section 15.1-02-08. "Tuition revenue" does not include tuition income received specifically for the operation of an educational program provided at a residential treatment facility.

**SECTION 27. AMENDMENT.** Section 15.1-27-23 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-23. Weather or other emergency conditions - Closure of schools - State aid payments to school districts.**

1. If because of severe weather or other emergency conditions a public school or school district remains closed or provides less than a full day of instruction, the public school or school district shall make every effort to reschedule classes so that students receive at least one hundred seventy-three the number of full instructional days of instruction required by section 15.1-06-04.
2. Any public school or school district for which the rescheduling of classes would create undue hardship may request that, for purposes of calculating state aid payments to the ~~school or~~ school district, the governor waive the rescheduling in whole or in part.
3. The governor may not grant a waiver for less than a full day of instruction. However, if a public school or school district closes for only a portion of its regular schoolday, the hours during which the school or school district is closed may be added together to determine the number of additional full days of instruction that may be waived under this section.

**SECTION 28. AMENDMENT.** Section 15.1-27-35.3 of the North Dakota Century Code is amended and reenacted as follows:

**~~15.1-27-35.3. (Effective through June 30, 2011) Payments to school districts—Unobligated general fund balance—Report to legislative council.~~**

1. ~~The superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of fifty percent of its actual expenditures, plus twenty thousand dollars. Beginning July 1, 2008, the superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty five percent of its actual expenditures, plus twenty thousand dollars.~~



2. ~~In making the determination required by subsection 1, the superintendent of public instruction may not include in a district's unobligated general fund balance any moneys that:~~
  - a. ~~(1) Were received by the district during the school year ending June 30, 2009, on account of the leasing of lands acquired by the United States for flood control, navigation, and allied purposes in accordance with 33 U.S.C. 701c-3, and~~
  - ~~(2) Exceeded the amount received by the district during the school year ending June 30, 2008, for the purpose stated in paragraph 1;~~
  - b. ~~Were received directly by the district from the United States government in accordance with the American Recovery and Reinvestment Act of 2009; or~~
  - e. ~~Were received by the district as supplemental one-time grants under section 52 of S.L. 2009, ch. 175.~~
3. ~~Any district having more than fifty thousand dollars excluded in the determination of its ending fund balance, as required by subsection 2, shall provide a report to the legislative council. The report, which must be presented at the time and in the manner directed by the legislative council, must address how the money was expended, including the number of mills by which the district was able to decrease its property taxes, if such was a permitted use.~~

**~~(Effective after June 30, 2011) Payments to school districts - Unobligated general fund balance.~~**

1. ~~The superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of fifty percent of its actual expenditures, plus twenty thousand dollars. Beginning July 1, 2008, the superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty-five percent of its actual expenditures, plus twenty thousand dollars.~~
2. ~~In making the determination required by subsection 1, the superintendent of public instruction may not include in a district's unobligated general fund balance any moneys that were received by the district from the federal education jobs fund program.~~

**SECTION 29.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Distribution of remaining moneys.**

If any money remains in the grants - state aid line item after the superintendent complies with all statutory payment obligations imposed for a biennium, the superintendent shall use the remaining moneys to provide additional per student payments on a prorated basis according to the latest available average daily membership of each school district.

**SECTION 30. AMENDMENT.** Section 15.1-36-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-36-02. School construction projects - Loans.**

1. The board of university and school lands may authorize the use of moneys in the coal development trust fund established pursuant to section 21 of article X of the Constitution of North Dakota and subsection 1 of section 57-62-02 to provide school construction loans, as described in this chapter. The outstanding principal balance of loans under this chapter may not exceed fifty million dollars. The board may adopt policies and rules governing school construction loans.
2. In order to be eligible for a loan under this section, the board of a school district shall:
  - a. Propose a construction project with a cost of at least one million dollars and an expected utilization of at least thirty years;
  - b. Obtain the approval of the superintendent of public instruction for the construction project under section 15.1-36-01; and
  - c. Submit to the superintendent of public instruction an application containing all information deemed necessary by the superintendent, including potential alternative sources or methods of financing the construction project.
3. The superintendent of public instruction shall give priority to any district that meets the requirements for receipt of an equity payment under section 15.1-27-11.
4. If an eligible school district's imputed taxable valuation per student is less than eighty percent of the state average imputed valuation per student, the district is entitled to receive:
  - a. A school construction loan equal to the lesser of ~~eight~~twelve million dollars or eighty percent of the actual project cost;
  - b. An interest rate discount equal to at least ~~forty~~one hundred but not more than two hundred fifty basis points below the prevailing tax-free bond rates; and
  - c. A term of repayment that may extend up to twenty years.
5. If an eligible school district's imputed taxable valuation per student is equal to at least eighty percent but less than ninety percent of the state average imputed taxable valuation per student, the district is entitled to receive:
  - a. A school construction loan equal to the lesser of ~~seventen~~seventeen million dollars or seventy percent of the actual project cost;
  - b. An interest rate buydown equal to at least ~~forty~~one hundred but not more than two hundred fifty basis points below the prevailing tax-free bond rates; and
  - c. A term of repayment that may extend up to twenty years.
6. If an eligible school district's imputed taxable valuation per student is equal to at least ninety percent of the state average imputed taxable valuation per student, the district is entitled to receive:
  - a. A school construction loan equal to the lesser of ~~two~~four million-~~five hundred thousand~~ dollars or thirty percent of the actual project cost;

- b. An interest rate discount equal to at least ~~forty~~ one hundred but not more than two hundred fifty basis points below the prevailing tax-free bond rates; and
  - c. A term of repayment that may extend up to twenty years.
7. The board of a school district may submit its loan application to the superintendent of public instruction before or after receiving authorization of a bond issue in accordance with chapter 21-03. If the vote to authorize a bond issue precedes the application for a loan, the application must be acted upon by the superintendent expeditiously but no later than one hundred eighty days from the date it is received by the superintendent.
  8. The superintendent of public instruction shall consider each loan application in the order it received approval under section 15.1-36-01.
  9. If the superintendent of public instruction approves the loan, the superintendent may determine the loan amount, the term of the loan, and the interest rate, in accordance with the requirements of this section.
  10. The superintendent of public instruction may adopt rules governing school construction loans.
  11. For purposes of this section, a construction project means the purchase, lease, erection, or improvement of any structure or facility by a school board, provided the acquisition or activity is within a school board's authority.

**SECTION 31. AMENDMENT.** Section 15.1-37-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-37-01. Early childhood education program - Approval.**

1. Any person or school district operating an early childhood education program may request approval of the program from the superintendent of public instruction. The superintendent shall approve an early childhood education program if the program:
  - ~~1.a.~~ Is taught by individuals who are licensed to teach in early childhood education by the education standards and practices board;
  - ~~2.b.~~ Follows a developmentally appropriate curriculum; ~~and~~
  - ~~3.c.~~ Is in compliance with all municipal and state health, fire, and safety requirements; and
  - d. Limits its enrollment to children who have reached the age of four before August first in the year of enrollment.
2. ~~Per student funding will not be provided to individuals or school districts offering a prekindergarten in determining the state aid payments to which a school district is entitled, the superintendent of public instruction may not count any student enrolled in a regular early childhood education program.~~

**SECTION 32. AMENDMENT.** Subsection 1 of section 15.1-37-02 of the North Dakota Century Code is amended and reenacted as follows:

1. The North Dakota early childhood education council consists of:
  - a. A chairman appointed by the governor;

- b. The superintendent of public instruction, or the superintendent's designee;
- c. The state health officer, or the officer's designee;
- d. The director of the department of human services, or the director's designee;
- e. The North Dakota head start - state collaboration administrator, or the administrator's designee;
- f. The commissioner of higher education, or the commissioner's designee;
- g. The commissioner of commerce, or the commissioner's designee;
- h. The chairman of the senate education committee, or the chairman's designee;
- h-i. The chairman of the house of representatives education committee, or the chairman's designee; and
- i-j. The following gubernatorial appointees:
  - (1) The superintendent of a school district having at least one thousand students in average daily membership;
  - (2) The superintendent of a school district having fewer than one thousand students in average daily membership;
  - (3) The superintendent of a school district headquartered on a reservation or including reservation land within its boundaries;
  - (4) ~~The principal of a school district;~~
  - (5) ~~An individual employed as an elementary school teacher;~~
  - (6) An individual representing a non-religious-based provider of preschool/early childhood education;
  - ~~(7)~~(5) An individual representing a religious-based provider of preschool/early childhood education;
  - ~~(8)~~(6) An individual representing a center-based licensed child care provider;
  - ~~(9)~~(7) An individual representing a home-based licensed child care provider;
  - ~~(10)~~(8) An individual representing a reservation-based head start program;
  - ~~(11)~~(9) An elected member of a school board;
  - ~~(12)~~(10) The parent of a child not yet enrolled in elementary school; ~~and~~
  - ~~(13)~~(11) The parent of a child with special needs/disabilities not yet enrolled in elementary school; and
  - (12) An individual representing children with disabilities.

**SECTION 33. AMENDMENT.** Section 15.1-37-03 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-37-03. Council - Duties.**

The council shall:

1. Review the delivery availability and provision of early childhood education, care, and services in this state;
2. ~~Conduct a needs assessment;~~
3. ~~Review early childhood education standards and propose revisions to the standards as needed;~~
4. Review~~Identify~~ opportunities for public and private sector collaboration in the delivery provision of early childhood education, care, and services in this state;
6. ~~Develop a comprehensive plan governing the delivery of early childhood education in this state; and~~
- 6.3. Identify ways to assist with the recruitment and retention of individuals interested in working as providers of early childhood education, care, and services, including training and continuing education or professional development opportunities;
4. Seek the advice and guidance of individuals who are uniquely familiar with the nature, scope, and associated challenges of providing early childhood education, care, and services in geographically and socioeconomically diverse settings, and develop recommendations pertaining to the short-term and longer-term improvement and expansion of early childhood education, care, and services in this state; and
5. Provide a biennial report regarding its activities findings and recommendations to the governor and the legislative ~~council~~ assembly.

**SECTION 34. APPROPRIATION - SCHOOL DISTRICT RAPID ENROLLMENT GROWTH - GRANTS.** There is appropriated out of any moneys in the oil and gas impact grant fund in the state treasury, not otherwise appropriated, the sum of \$5,000,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of providing a grant to any school district that can demonstrate rapid enrollment growth, for the biennium beginning July 1, 2011, and ending June 30, 2013.

1. If the number of full-time equivalent students enrolled in a school district has increased by at least seven percent annually and if that increase is equal to at least twenty-five full-time equivalent students, as demonstrated by the district's September tenth fall enrollment report, the district is entitled to receive a grant equal to the per student payment provided for in section 15.1-27-04 multiplied by the actual increase in its full-time equivalent student enrollment.
2. If the amount of the appropriation provided for in this section is insufficient to meet the obligations of this section, the superintendent of public instruction shall prorate the payment based on the percentage of the total amount to which each school district is entitled.
3. The superintendent of public instruction may not expend more than \$2,500,000 in grants under this section during the first year of the biennium.

4. Any district that is precluded from receiving state aid under section 15.1-27-35.3 is not eligible to receive a grant under this section.

**SECTION 35. APPROPRIATION - GEARING UP FOR KINDERGARTEN.**

There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$625,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of supporting the gearing up for kindergarten program provided by the North Dakota state university extension service, for the biennium beginning July 1, 2011, and ending June 30, 2013. The North Dakota state university extension service may use up to \$125,000 of the amount appropriated for administrative purposes.

**SECTION 36. TRANSPORTATION GRANTS - DISTRIBUTION.**

1. During each year of the 2011-13 biennium, the superintendent of public instruction shall calculate the payment to which each school district is entitled based on the state transportation formula as it existed on June 30, 2001, except that the superintendent shall provide reimbursement at the rate of:
  - a. One dollar and three cents per mile for schoolbuses having a capacity of ten or more passengers;
  - b. Forty-six cents per mile for vehicles having a capacity of nine or fewer passengers;
  - c. Forty-six cents per mile, provided:
    - (1) The student being transported is a student with a disability, as defined in chapter 15.1-32;
    - (2) The student's individualized education program plan requires that the student attend a public or a nonpublic school located outside the student's school district of residence;
    - (3) The student is transported by an adult member of the student's family;
    - (4) The student is transported in a vehicle furnished by the student's parents;
    - (5) The student's transportation is paid for by the student's parents; and
    - (6) The reimbursement does not exceed two round trips daily between the student's home and school.
  - d. Forty-six cents per mile, one way, provided:
    - (1) The student being transported resides more than two miles from the public school that the student attends;
    - (2) The student is transported by an adult member of the student's family;
    - (3) The student is transported in a vehicle furnished by the student's parents; and
    - (4) The student's transportation is paid for by the student's parents; and

- e. Twenty-six cents per student for each one-way trip.
2. The superintendent of public instruction shall use the latest available student enrollment count in each school district in applying the provisions of subsection 1.
3. If any moneys provided for transportation payments in the grants transportation line item in the appropriation bill for the superintendent of public instruction, as approved by the sixty-second legislative assembly, remain after application of the formula provided for in this section, the superintendent of public instruction shall prorate the remaining amounts according to the percentage of the total transportation formula amount to which each school district is entitled.
4. This section does not authorize the reimbursement of any costs incurred in providing transportation for student attendance at extracurricular activities or events.

#### **SECTION 37. ISOLATED SCHOOLS - TRANSITION PAYMENTS.**

1. If during the 2010-11 school year a school district received payments as a result of section 15.1-27-15, as the section existed on June 30, 2011, and if that district is not eligible for the factor established under subdivision j of subsection 1 of section 15.1-27-03.1, the district is entitled to the following transition payments:
  - a. For the 2011-12 and 2012-13 school years, an amount equal to that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011;
  - b. For the 2013-14 school year, an amount equal to seventy-five percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011;
  - c. For the 2014-15 school year, an amount equal to fifty percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011; and
  - d. For the 2015-16 school year, an amount equal to twenty-five percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011.
2. Upon the closure of a school that met the definition of isolated under section 15.1-27-15, as it existed on June 30, 2011, the superintendent of public instruction shall cease to provide to the district the transition payments established under subsection 1.

#### **SECTION 38. ALTERNATIVE MIDDLE SCHOOL - GRANTS.**

1. During the second year of the 2011-13 biennium, the superintendent of public instruction shall expend up to \$300,000 from the grants - other grants line item in the appropriation bill for the superintendent of public instruction, as approved by the sixty-second legislative assembly, for the purpose of providing a grant to any school district that offers an alternative education program for students enrolled in grades six through eight.
2. In order to determine the amount that a school district may receive under this section, the superintendent of public instruction shall multiply by a factor of .15 the number of students in grades six through eight who are

enrolled in an alternative education program for at least fifteen hours per week.

3. If the expenditure authorized in this section is insufficient for providing grants to all eligible school districts, the superintendent of public instruction shall prorate the grants based on the percentage of the total to which each school district is entitled.

**SECTION 39. USE OF NEW MONEY - TEACHER COMPENSATION INCREASES - REPORTS TO THE LEGISLATIVE MANAGEMENT.**

1. During the 2011-13 biennium, the board of each school district shall use an amount equal to at least seventy percent of all new money received by the district for per student payments to increase the compensation paid to teachers and to provide compensation to teachers who begin employment with the district on or after July 1, 2011.
2. For purposes of this section, the superintendent of public instruction shall calculate the amount of new money available during the 2011-13 biennium by:
  - a. Determining the total amount of dollars in the grants - state school aid line item in the 2011-13 appropriation bill for the superintendent of public instruction, as approved by the sixty-second legislative assembly and subtracting from that amount:
    - (1) Equity payments;
    - (2) Regional education association moneys and grants;
    - (3) PowerSchool acquisition, implementation, and utilization moneys; and
    - (4) Contingent distributions;
  - b. Determining the total amount of dollars in the grants - state school aid line item and in the grants - supplemental line item in the 2009-11 appropriation bill for the superintendent of public instruction, as approved by the sixty-first legislative assembly and subtracting from that amount:
    - (1) Equity payments;
    - (2) Regional education association moneys and grants;
    - (3) Technology support payments; and
    - (4) Contingent distributions; and
  - c. Subtracting the amount arrived at under subdivision b from the amount arrived at under subdivision a.
3. School districts providing educational services under a cooperative agreement approved by the superintendent of public instruction must, for purposes of this section, be treated as a single district.
4. a. This section does not apply to a school district if the board of the school district, after a public hearing at which public testimony and documentary evidence are accepted, determines in its discretion and by an affirmative vote of two-thirds of the members of the board that complying with subsection 1 would place the school district in the



position of having insufficient fiscal resources to meet the school district's other obligations.

- b. Within ten days of the vote required by subdivision a, the school board shall notify the superintendent of public instruction of its action and shall file a report detailing the grounds for its determination and action.
- c. The superintendent of public instruction shall report all notices received under this subsection to the legislative management.

**SECTION 40. EDUCATION FUNDING AND TAXATION COMMITTEE - CREATION - STUDY.**

1. The education funding and taxation committee consists of the following eight members:
  - a. The house majority leader or the leader's designee selected from among the members of the house education committee or the house finance and taxation committee;
  - b. The house minority leader or the leader's designee selected from among the members of the house education committee or the house finance and taxation committee;
  - c. The senate majority leader or the leader's designee selected from among the members of the senate education committee or the senate finance and taxation committee;
  - d. The senate minority leader or the leader's designee selected from among the members of the senate education committee or the senate finance and taxation committee;
  - e. The chairman of the house education committee, or the chairman's designee;
  - f. The chairman of the house finance and taxation committee, or the chairman's designee;
  - g. The chairman of the senate education committee, or the chairman's designee; and
  - h. The chairman of the senate finance and taxation committee, or the chairman's designee.
2. The chairman of the legislative management shall select one from among the voting members to serve as the chairman of the committee.
3. The committee shall operate according to the statutes and procedure governing the operation of other legislative management interim committees.
4. The committee shall examine short-term and longer-term state and local involvement in funding elementary and secondary education. The committee shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the legislative management.

**SECTION 41. ADULT EDUCATION - STUDY.** During the 2011-12 interim, the legislative management shall consider studying the provision and funding of adult education. The legislative management shall report its findings and

recommendations, together with any legislation required to implement the recommendations, to the legislative management.

**SECTION 42. ALTERNATIVE EDUCATION - MIDDLE SCHOOL - DATA COLLECTION - REPORT.**

1. The superintendent of public instruction shall collect data regarding the provision of services to students in grades six through eight who are enrolled in an alternative education program for at least an average of fifteen hours per week. The data must include:
  - a. The number of school districts offering alternative education programs to students in grades six through eight;
  - b. The number of students in grades six through eight who are enrolled in alternative education programs;
  - c. The number of students in grades six through eight who are enrolled in alternative education programs and who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.];
  - d. The average number of hours per week that students in grades six through eight are spending in alternative education programs;
  - e. A quantification of the students' academic accomplishments; and
  - f. Any reductions in the number of students enrolled in alternative high schools.
2. Before October 1, 2012, the superintendent of public instruction shall report the data to the legislative management.

**SECTION 43. REPEAL.** Section 5 of this Act and sections 15.1-18.2-01, 15.1-18.2-02, and 15.1-18.2-03 of the North Dakota Century Code are repealed.

**SECTION 44. REPEAL.** Section 15.1-27-15 of the North Dakota Century Code is repealed.

**SECTION 45. EFFECTIVE DATE.** Section 22 of this Act becomes effective on July 1, 2012. Section 43 of this Act becomes effective on July 1, 2013.

**SECTION 46. EFFECTIVE DATE - EXPIRATION DATE.** Section 23 of this Act is effective on July 1, 2013, through June 30, 2015, and after that date is ineffective.

**SECTION 47. EMERGENCY.** Sections 27 and 40 of this Act are declared to be an emergency measure."

Renumber accordingly

Reengrossed SB 2150 was placed on the Seventh order of business on the calendar.

2011 TESTIMONY

SB 2150

# SB 2150 Hearing Agenda

Tuesday, January 25, 2011

9:00 a.m.

Missouri Room— State Capitol

9:00 a.m.

Sen. Tim Flakoll

- Lawsuit/History, that led to the formula
- This proposal funds “the rest of the bill for adequacy”
- Scholarship Funding

9:05 a.m.

Rep. Kathy Hawken

- Early Childhood – Gearing Up for Kindergarten, Child Development Associate

9:08 a.m.

Rep. Lois Delmore

- Teacher Mentor Program & Principal Mentoring Program

9:11 a.m.

Rep. Rae Ann Kelsch

- Positive effects of the scholarship as it relates to the need to reorganize the Center for Distance Education
- ACT Writing component

9:14 a.m.

Sen. Ray Holmberg

- Supplemental Teacher-Effectiveness Compensation Plan

9:17 a.m.

Sen. Dave O’Connell

- Transportation

a.m.

Gov. Jack Dalrymple

- Bill Summary

10:00 a.m.

Dr. Wayne Sanstead – *Superintendent of Schools*

- Professional Development Advisory Council
- Increase in Per Student Payment

10:03 a.m.

Doug Johnson – *North Dakota Council of Educational Leaders*

- Center for Distance Education Reorganization
- PowerSchool Completion & Factor

10:06 a.m.

Jon Martinson – *North Dakota Schools Boards Association*

- Regional Education Associations

10:09 a.m.

~~Dakota Draper~~ <sup>Greg Burns</sup> – *North Dakota Education Association*

- Supplemental teacher-Effectiveness Compensation Plan

10:12 a.m.

Rick Buresh – *Superintendent, Fargo Public Schools*

- Scholarship
- Increase in AP course demand and enrollment

10:15 a.m.

Jeff Lind – *Superintendent, Rugby Public Schools*

- 70% of new money for per student payment is used to compensate teachers

Public comment

#1 Agenda SB 2150

January 2011

**SENATE BILL NO. 2150****SUMMARY****Section 1****(Amendment of Section 15.1-07-33)****Student Information System - Statewide  
Coordination - Financial Support - Exemption**

This section directs the Superintendent of Public Instruction to forward that portion of a school district's state aid which is attributable to the acquisition and use of PowerSchool and any related technology support services directly to the Information Technology Department. If the amount forwarded exceeds the cost incurred by the Information Technology Department, it must be returned to the school district as per student payments.

This section also allows the Superintendent of Public Instruction to exempt a school district from having to acquire and utilize PowerSchool if it demonstrates that it is using a comparable system in accordance with Bureau of Indian Education requirements.

**Section 2****(Amendment of Section 15.1-09-58)****Early Childhood Education -  
Authorization - Support**

This section authorizes the board of a school district to support an early childhood education program with local tax revenues, as well as state and federal moneys, and gifts, grants, and donations.

**Section 3****(Amendment of Section 15.1-09.1-02)****Regional Education Association - Joint  
Powers Agreement - Review by  
Superintendent of Public Instruction - Criteria**

This section removes the list of administrative functions and student services that were statutorily required of a regional education association.

**Section 4****(New Section to Chapter 15.1-09.1)****Regional Education Association -  
Services to Be Offered**

This section requires a regional education association to offer coordination and facilitation of professional development activities for teachers and administrators employed by its member districts; supplementation of technology support services; assistance with achieving school improvement goals identified by the Superintendent of Public Instruction; assistance with the collection, analysis, and interpretation of student achievement data; and assistance with the expansion and enrichment of curricular offerings.

**Section 5****(New Section to Chapter 15.1-18.2)****Professional Development Advisory  
Committee - Compensation of Members**

This section provides per diem compensation in the amount of \$135 to and expense reimbursement for members of the Professional Development Advisory Committee.

**Section 6****(New Section to Chapter 15.1-18.2)****Teacher Support Program - Establishment**

This section places the teacher mentoring program operated by the Education Standards and Practices Board into the North Dakota Century Code.

**Section 7****(New Section to Chapter 15.1-18.2)****Teacher Support Program -  
Availability of Services**

This section authorizes the Education Standards and Practices Board to use any moneys it receives for the teacher support program to provide staff compensation, training, evaluation, and stipends for mentors and experienced teachers who assist first-year and non-first-year teachers participating in the program, and to pay for any other administrative expenses resulting from the program.

**Section 8****(New Section to Chapter 15.1-18.2)****Teacher Support Program -  
Authorized Service Recipients**

This section makes the teacher support program available to teachers employed by school districts, special education units, area career and technology centers, regional education associations, and schools funded by the Bureau of Indian Education.

**Section 9****(Amendment of Section 15.1-21-02.1)****High School Diploma -  
Minimum Requirements**

This section clarifies that in order to obtain a high school diploma, a student must have successfully completed the statutorily required 22 units of high school coursework and any additional units required by the entity issuing the diploma.

**Section 10**  
**(New Section to Chapter 15.1-21)**  
**High School Graduation -**  
**Minimum Requirements**

This section articulates the 22 units of high school coursework that constitute the minimum requirement for high school graduation.

**Section 11**  
**(Amendment of Section 15.1-21-02.4)**  
**North Dakota Career and**  
**Technical Education Scholarship**

This section clarifies the requirements for a North Dakota career and technical education scholarship and provides that the requirements for a 3.0 grade point average (GPA) may be calculated using all high school units in which the student was enrolled or only the statutorily required units.

**Section 12**  
**(Amendment of Section 15.1-21-02.5)**  
**North Dakota Academic Scholarship**

This section clarifies the requirements for a North Dakota academic scholarship and provides that the requirements for a 3.0 GPA may be calculated using all high school units in which the student was enrolled or only the statutorily required units. It also allows a student to take American sign language rather than two units of the same foreign or Native American language.

**Section 13**  
**(Amendment of Section 15.1-21-02.6)**  
**North Dakota Scholarship**  
**Amount - Applicability**

This section requires the State Board of Higher Education to monitor the academic performance of each scholarship recipient and to provide notification to the recipient within five days if the recipient has failed to maintain the required GPA.

**Section 14**  
**(New Section to Chapter 15.1-21)**  
**North Dakota Scholarship Fund - Biannual**  
**Transfer - Continuing Appropriation**

This section requires the State Treasurer to biannually transfer from the interest and income of the lands and minerals trust fund to the North Dakota scholarship fund the amount necessary to provide the North Dakota academic scholarships and the North Dakota career and technical education scholarships.

**Section 15**  
**(Amendment of Section 15.1-21-08)**  
**Reading, Mathematics, and Science -**  
**Administration of Test**

This section removes date-specific language related to the administration of the state assessments.

**Section 16**  
**(Amendment of Section 15.1-21-18)**  
**Career Interest Inventory - Educational and**  
**Career Planning - Consultation**

This section requires each school district to provide students in grade 7 or 8 with an individual consultative process or a nine-week course, for the purpose of discussing the results of their career interest inventory, selecting high school courses appropriate to their educational pursuits and career interests, and developing individual high school education plans. It also provides that upon a student's request, a school district must engage in a consultative review of the student's individual high school education plan at least once during each high school grade.

**Section 17**  
**(Amendment of Section 15.1-21-19)**  
**Summative Assessment - Selection -**  
**Cost - Exemptions**

This section provides that a student who takes the American College Test must take the writing portion as well and further provides that the cost is to be borne by the state.

**Section 18**  
**(Amendment of Section 15.1-27-03.1)**  
**Weighted Average Daily**  
**Membership - Determination**

This section clarifies English language proficiency categories, sets 0.10 as the factor for students enrolled in certain isolated school districts, sets 0.06 as the factor for students instructed by teachers participating in a supplemental teacher-effectiveness compensation plan, and sets 0.006 as the factor for students enrolled in school districts that have or are in the process of acquiring PowerSchool.

**Section 19**  
**(Amendment of Section 15.1-27-04)**  
**Per Student Payment Rate**

This section sets the per student payment rates at \$3,879 and \$3,979.

**Section 20**  
**(Amendment of Section 15.1-27-07.2)**  
**Baseline Funding - Determination - Minimum**  
**and Maximum Allowable Increases**

This section provides that the total amount of state aid payable to a district per weighted student unit, less any amount received as equity payments per weighted student unit, may not exceed a maximum of 142 percent of the baseline funding for the 2011-12 school year. No maximum is established for any year thereafter.

**Section 21**  
**(Amendment of Section 15.1-27-11)**  
**Equity Payments**

This section provides that in determining the statewide average imputed taxable valuation per student for purposes of equity payments, the Superintendent of Public Instruction may not include any school district, which if included in the calculation would have an imputed taxable valuation per student that is three times greater than the statewide average imputed taxable valuation per student and any school district, which if included in the calculation would have an imputed taxable valuation per student that is less than one-fifth of the statewide average imputed taxable valuation per student. In addition, the section clarifies the determination of imputed taxable valuation by providing that the divisor is to be the district's general fund mill levy for the taxable year 2008.

**Section 22**  
**(Amendment of Section 15.1-27-35.3)**  
**Payments to School Districts -**  
**Unobligated General Fund Balance**

This section provides that federal "education jobs fund" moneys received by a school district may not be included in a district's unobligated general fund balance for purposes of determining state aid.

**Section 23**  
**(New Section to Chapter 15.1-27)**  
**Supplemental Teacher-Effectiveness**  
**Compensation Plan**

This section provides that a representative organization authorized by a negotiating unit and the board of a school district may agree to pursue a supplemental teacher-effectiveness compensation plan. The negotiating unit may include all teachers employed by the board to teach in the school district or all teachers employed by the board to teach at a particular school in the district.

**Section 24**  
**(New Section to Chapter 15.1-27)**  
**Supplemental Teacher-Effectiveness**  
**Compensation Plan - Development**  
**Committee - Membership**

This section provides that upon agreeing to pursue a supplemental teacher-effectiveness compensation plan, the board of the school district and the representative organization must form a committee to develop the plan. The membership of the committee must be agreed upon by the board and the representative organization.

**Section 25**  
**(New Section to Chapter 15.1-27)**  
**Supplemental Teacher-Effectiveness**  
**Compensation Plan - Required Content**

This section provides that a supplemental teacher-effectiveness compensation plan must include only matters of compensation and it must provide for a determination of compensation that takes into account whether the school district has had difficulty filling a particular position with a suitable and highly qualified teacher, whether a teacher has advanced academic degrees or special skills and knowledge beyond those minimally required for a position, whether a teacher has pursued certified professional development activities beyond those minimally required for a position, and whether a teacher has assumed responsibilities that are beyond those minimally required for a position. It must also take into account various measures of student growth, including academic growth. In addition, the plan must include a rigorous and objective system of teacher evaluation and ensure that no teacher subject to the plan will receive less total compensation than that teacher was eligible to receive under the last negotiated contract.

**Section 26**  
**(New Section to Chapter 15.1-27)**  
**Supplemental Teacher-Effectiveness**  
**Compensation Plan - Review Panel**

Each supplemental teacher-effectiveness compensation plan must be reviewed by a committee consisting of two employees of the Department of Public Instruction, two individuals appointed by the North Dakota Council of Educational Leaders, two individuals appointed by the North Dakota Education Association, and two individuals appointed by the North Dakota School Boards Association. The panel must either approve the plan and recommend that the Superintendent of Public Instruction provide funding for the plan or deny the plan and provide suggestions for its modification.

**Section 27**  
**(New Section to Chapter 15.1-27)**  
**Annual Report - Required Content**

This section requires each school district that receives funding to implement a supplemental teacher-effectiveness compensation plan to file an annual report with the Superintendent of Public Instruction and indicate whether the plan has alleviated difficulty filling particular positions, encouraged teachers to pursue advanced academic degrees or acquire special skills and knowledge beyond those minimally required for a position, encouraged teachers to pursue certified professional development activities, or encouraged teachers to assume additional responsibilities. The report also must indicate whether there has been measurable student growth, including academic growth.

**Section 28****(New Section to Chapter 15.1-27)****Existing Contracts - Terms - Effect**

This section provides that a supplemental teacher-effectiveness compensation plan authorized by this Act may take effect on July 1, 2012.

**Section 29****(New Section to Chapter 15.1-27)****Plan Review Panel -****Reimbursement for Expenses**

This section provides per diem compensation to and expense reimbursement for each member of the Supplemental Teacher-Effectiveness Compensation Plan Review Panel if the member is attending meetings or performing duties directed by the panel.

**Section 30****Isolated Schools - Transition Payments**

This section provides transition payments to school districts that had been receiving additional payments because they contained an isolated school but which do not qualify for the isolated payment factor, as proposed under this Act.

**Section 31****Transportation Grants - Distribution**

This section increases state transportation aid to \$1.03 per mile for schoolbuses having a capacity of 10 or more passengers, \$0.46 per mile for vehicles having a capacity of 9 or fewer passengers, \$0.46 per mile one-way for family transportation, and \$0.26 per student for each one-way trip. If any moneys provided for transportation payments remain after application of the formula, they are to be prorated as transportation payments.

**Section 32****Use of New Money - Teacher Compensation Increases - Reports to the Legislative Management**

This section requires the board of each school district to use at least 70 percent of all new money received as per student payments to increase the compensation paid to teachers and to provide

compensation to teachers who begin employment with the district on or after July 1, 2011.

**Section 33****Regional Education Associations - Grants**

This section authorizes the Superintendent of Public Instruction to expend up to \$800,000 from the state school aid line item for the purpose of providing grants to eligible regional education associations in order to assist them with the cost of compensating coordinators. The maximum grant payable to a regional education association under this section during each year of the biennium is the lesser of \$50,000 or 70 percent of the total compensation payable to the coordinator.

**Section 34****Appropriation**

This section appropriates \$150,000 to the Department of Commerce for the purpose of providing \$1,200 grants to individuals seeking a child development associate credential.

**Section 35****Principal Mentorship Grants**

This section directs the Superintendent of Public Instruction to expend \$461,500 from the grants - other grants line item in the Superintendent's appropriation bill and contract with a statewide educational organization for the development and implementation of a principal mentorship program.

**Section 36****Appropriation**

This section appropriates \$20,000 to the Superintendent of Public Instruction for the purpose of reimbursing expenses incurred by the Supplemental Teacher-Effectiveness Compensation Plan Review Panel.

**Section 37****Repeal**

This section repeals Section 15.1-27-15, which pertains to isolated schools.

#1A



**SB 2150**

**Senator Tim Flakoll**

**January 25, 2010**

Mr. Chairman and members of the Senate Education Committee.

For the Record I am Senator Tim Flakoll of District 44 of Fargo. I am here today to introduce SB 2150 for your consideration. It is the result of the interim work of the ND Commission on Education Commission. Their work was mandated by the passage of HB 1400 last session and they have spent countless hours over the past two years and you have their work-product in front of you.

Each person that you have on the set list of individuals has a specific topic or purpose. I will talk briefly on

- 1) Lawsuit/history that led to the formula
- 2) Completion of funding adequacy – to this point in time
- 3) Scholarship funding

# 1B SB2150

## History:

First let's take a quick step back to remind us of what dramatic progress we have made in past few years.

On January 16, 2003 an amended complaint was filed by nine North Dakota school districts stating that they believed that the state's public school finance system was unconstitutional.

Just four years ago on January 10, 2006 the plaintiff districts and the state agreed that it was desirable for them to stay the action and provide a commission format to capitalize on the opportunity to compromise and resolve the issues of equity and adequacy.

In the 2007 legislative session SB2200 passed overwhelmingly in both chambers and was signed by the Governor. Among its achievements, it provided nearly \$40 million in equity funding so that all school districts were funded at least at 90% of the state-wide average. Having met the requirements of the litigation, the equity lawsuit was dropped.

During the 2009 session we passed HB 1400 which dealt with a number of issues including a uniform curriculum and a plan to reward the students who achieve a higher standard. It is important to note that prior to the 2009 session the state of North Dakota had a specified number of credits/units to graduate but no requirement on what courses should be taken to meet graduation requirements. With the passage of HB1400 we had a comprehensive listing of courses to help insure that students were college ready or work ready.

**Funding Adequacy:**

SB 2150 is in essence the last hurdle in the process of addressing equity and adequacy.

In the past four years we have brought each district up to a funding level equal to at least 90% of the state wide average. We have added a historic system of rigor and rewards. Previously we had silos or funding where now we have a formula where the dollars follow the specific needs of individual students. We have a system with base funding for each student and additional dollars built on top of that on a student by student basis.

In the 2007 and 2009 sessions we had to limit that actual amount of increase an individual district could receive to allow the phasing in of the formula. With SB 2150 we are now have evolved into a position where we can give those districts the actual dollars they are eligible for and deserve.

The history of the cap is as follows:

- 2007-2008 cap of 107% of the baseline funding per weighted per weighted student unit (base year of 2006-2007). (SB2200 - section 10)
- 2008-2009 cap of 110% of the baseline funding (SB2200 – section 10)
- 2009-2010 cap of 120% of the baseline funding (HB1400 –Section 33)
- 2010-2011 cap of 134% of the baseline funding (HB1400 – Section 33)

2011-2012 cap of 142% of the baseline funding (SB2150 – Section – Section 20)

2012-2013 cap removed (SB2150 – Section 20)

Those districts that have been hitting the cap have waited a number of years for progress to reach the point where we provide them with the dollars they are entitled to and I am pleased that we are completing our obligation with SB2150.

### **Scholarships:**

Mr. Chairman the wedding of greater academic rigor to scholarship rewards occurred last session with HB1400. With SB2150 we again provide incentives for students by providing both Academic and Career/Technical scholarships.

This fall we had the first class of freshman who received the first merit based scholarships. Due to a required phase in-period we only required students that graduated in the spring 2010 with cumulative ACT test score of 24 – this or a at least a score of five on three of the WorkKeys assessments.

I would note that according to the NDUS that about 32% of the students who took the ACT test score earned a 24 ACT test score or higher and that it is only 2.5 points higher than the 2010 average statewide score (21.5 average).

#1 SB 2150

In SB2150 we now require students to also meet our academic curriculum requirements which align with our work in the last session. There is no doubt in my mind that as we require more rigor, that we will have even more students achieve the minimum ACT test score.

In anticipation of the question I will mention that the average ACT test score of the 2010 class was 21.5 according to the NDUS.

Our plan to have the dollars follow the students provides us an important improvement to our education funding philosophy. It requires performance for those education dollars. It benefits students and well as our education mission.

That completes my testimony and I will turn the podium over to the next sponsor for their comments.

**### End ###**

# | SB 2150

## New ways to assess teachers unfolding

**More scrutiny — and more support — is  
catching on**

By Mila Koumpilova  
[mkoumpilova@pioneerpress.com](mailto:mkoumpilova@pioneerpress.com)

A band of watchful adults descended on Rachel Hansen's seventh-grade math class in South St. Paul this month.

Butch Moening, the secondary principal, scanned students' faces for the glow of understanding. He peered at homework over their shoulders. He joined forces with one boy to solve an equation. Meanwhile, two teachers turned full-time evaluators typed on their laptops in the back of the classroom.

South St. Paul is among area districts rethinking approaches to sizing up teachers — efforts unfolding in a national spotlight on teacher evaluations. These days, new teachers in St. Paul get more scrutiny and more support, and Minneapolis is exploring ways to gauge how much learning takes place in classrooms. The Minnesota Legislature this session might consider imposing requirements for teacher evaluations.

Teacher evaluations are often too infrequent, superficial and inconsequential, say critics, including advocacy groups, teachers unions and the country's education secretary. Aside from keeping ineffective teachers in the classroom, they leave good teachers without direction for improvement — or recognition for the things they do well.

"There's no question: Teacher evaluation has taken on a life of its own," said Mary Cecconi of Parents United for Public

**SB 2150**



South St. Paul 1<sup>st</sup> grader Alexander Hamilton Masilko (Photo supplied by his grandpa)

Schools, a Minnesota advocacy group calling for changes. "It's a national concern, and rightfully so."

In South St. Paul, plans for the evaluation makeover alarmed some teachers last spring, said Dave Sutherland, the district's union head. Educators voted to renew the district's participation in Quality Compensation, or Q Comp, the state's voluntary pay-for-performance program, by a razor-thin margin — the closest call since the district joined five years ago.

The changes were inspired by a state push to enlist trained evaluators — generally, colleagues who take the year off from teaching — rather than peers to handle the annual Q Comp reviews that determine pay and promotions.

#2 SB2150

The district also embraced a new evaluation rubric, which parses a teacher's performance into dozens of criteria — from clear lesson plans to probing questions to smooth classroom transitions — and rates an educator in four categories, from unsatisfactory to distinguished, in each. Before the changes, district principals evaluated tenured teachers every five years and rated them either satisfactory or, rarely, unsatisfactory.

Despite the initial qualms, Sutherland says, many teachers are now converts to the new approach: "We feel it's really pushing us to be on top of our game."

Across Minnesota, experts say, tenured teachers are getting too few evaluations that tell them too little about how they're doing.

Some districts have moved toward annual reviews, said Charlie Kyte, executive director of the Minnesota Association of School Administrators. But, he adds, "I can tell you there are a lot of places where tenured teachers have never seen an evaluation."

A 2007 study of districts in Minnesota and six other Midwestern states found that only one-third of districts spelled out what evaluators should do. Last week's annual Quality Counts report by Education Week magazine gave Minnesota a D+ for its efforts to improve teaching, citing, among other factors, failures in sizing up and supporting teachers.

Nationwide, teacher evaluations have become a hot topic. The American Federation of Teachers and Education Secretary Arne Duncan, at odds on other issues, have both bashed the current state of teacher evaluations. States from South

Dakota to Colorado to Arizona have adopted statewide evaluation models.

### NO 'ACCIDENTAL' TENURE

Teachers in St. Paul Public Schools would go decades without an evaluation, union President Mary Cathryn Ricker said. Only teachers who were floundering got a review — but little in the way of consistent support to help them improve.

"It felt like we were being ignored as professionals," Ricker said.

This year, the district earmarked \$400,000 in federal stimulus money to overhaul evaluations of new teachers. Until this year, decisions about tenure were based on two annual 30-minute classroom observations by principals; under the new contract, principals make at least three hourlong visits a year, and trained teachers stop by twice a month, offering tips and suggestions.

"We are creating a situation where tenure will never be an accident in our district," said Ricker, who hopes the district eventually will expand the peer-review process to tenured teachers. "We are building better teachers from Day 1 in St. Paul."

Over in the Minneapolis district, "The vast majority of teachers were not getting meaningful feedback on an ongoing basis," said Pat Pratt-Cook, chief of human resources and accountability.

The district is piloting a new evaluation model this spring. Rather than focusing on classroom management, the model will attempt to gauge student progress by using a number of measures, such as conversations with students, assignments and end-of-term

tests. The district plans to roll out the new model districtwide next fall.

Feedback is key, Pratt-Cook said: "It cannot be a 'gotcha' system. It really needs to be a system that promotes ongoing development and support for teachers."

Minneapolis is getting help from the Brooklyn-based New Teacher Project, an advocate for overhauling educator evaluations. In a 2009 report, the group lamented the flaws of evaluations nationwide, saying they often pay more attention to a teacher's bulletin board organization than to student progress and offer teachers little useful feedback.

Good evaluations, on the other hand, measure student achievement, play a part in compensation and promotions, happen every year and feature at least four rating levels, a 2010 report by the group said.

#### LEGISLATURE WEIGHS IN

In Minnesota, the Republican-controlled Legislature is preparing to tackle the evaluation issue this session. There are two schools of thought: Groups such as the school administrators association and Education Minnesota, the teachers union, have rallied behind a state mandate for annual evaluations, with each district crafting its own model. Some legislators, on the other hand, are calling for a statewide model.

Meanwhile, Education Minnesota has approached new Education Commissioner Brenda Cassellius and her team about designing an evaluation blueprint districts can draw upon.

"It's something the department is very interested in seeing and something we're

very interested in helping them with," said Education Minnesota President Tom Doohar.

Doohar has said peers, trained evaluators and administrators should team up to evaluate teachers. And, he said, the reviews should take into account student progress, including test scores.

The shift could be a daunting task, said Cecconi, of Parents United. Measuring student growth across subjects and student abilities is complicated. Evaluation requires a major time commitment from busy peers and principals and resources for training evaluators in a time of budget cuts. And whether and how to tie the outcome of these reviews to teacher pay remains a fraught subject.

Doohar said if districts start evaluating teachers more meaningfully, linking pay to reviews is "a logical next step."

In any case, strong teacher evaluations are an elusive goal.

"Evaluation is not for the weak of heart," Cecconi said. "It's very difficult."

Back in South St. Paul, math teacher Hansen was unfazed by the influx of evaluators in her classroom. She lobbed questions at students, had them chant some answers, clapped and snapped her fingers to get them worked up for an algebra review.

In her recent evaluations, she has scored high marks for commanding students' attention and for calling on all kids, including the ones with puzzled looks. But she's also gotten pointers she's already put to use. One evaluator, for instance, noticed she tends to feed answers to her accelerated algebra students.



"Sometimes I need to take a step back and let the students analyze the material and come up with the answers themselves," she said.

Sutherland, South St. Paul's union leader, said teachers have found the new, more detailed evaluations to be thought-provoking and constructive. And, says principal Moening, the new approach has fostered rich discussion about what teachers do well and how they can improve.

"In the past, evaluation was always the administration against the teachers; the guard was always up," he said. "We want teachers to know we're in this together."

## Senate Bill 2150 Summary

### Section 1: PowerSchool Funding & Waiver

- The proposed .006 factor is a mechanism to transfer funds from DPI to ITD for the PowerSchool system including purchasing, installing and supporting services related to PowerSchool. This replaces the current general fund appropriation for that purpose. The factor insures that a school will receive funds only if it is implementing PowerSchool.
- The cost of the needed 2 temporary full time employees are computed within the factor for the 2011-2013 biennium only to complete the implementation of the PowerSchool system.
- If the state aid exceeds the amount needed for the use and implementation of PowerSchool, the funds shall be returned to DPI to be redistributed to the school districts in per student payments.
- DPI would be authorized to waive the requirement in the event the district's reporting system is compatible, and all requirements can be met. This waiver is only available to Bureau of Indian Education schools.

### Section 2: Early Childhood Education Authorization

- A school district may establish an early childhood education program and use excess local tax revenues that are not needed for K-12 education. State, federal and donated funds that are specifically for an early childhood program continue to be permissible.

### Section 3: Regional Education Association/Joint Powers Agreement Criteria—Board Membership

- Changes on pages 3 and 4 update language and delete outdated criteria for REA's.
- Allows the school board member, who serves on the governing board, the authority to appoint a designee.

### Section 4: Regional Education Association—Services offered

- Proposes language to provide a list of required REA services to all member school districts.
- School districts will still have the option of including additional services.

### Section 5: Professional Development Advisory Committee

- Provides compensation to the members of the professional development advisory committee.



### Section 6: Teacher Support (Mentoring) Program

- ESPB will administer a first-year teacher support (mentoring) program with the assistance of a coordinator.
- Permits school districts and other participating entities to serve non-first year teachers if all other first year needs are met.

### Section 7: Teacher Mentoring Program—Services to be offered

- Permits ESPB to provide compensation, including stipends to mentors and experienced teachers who assist first-year and non-first year teachers participating in the program. The board may not spend more than 5% of the moneys for administrative purposes.

### Section 8: Teacher Mentoring Program—Service Recipients

- Expands the program to include school districts, special education units, area career and technology education centers, regional education associations, and schools funded by the Bureau of Indian education. Previously only teachers working for school districts were eligible.

### Section 9: High School Graduation Diploma Minimum Requirements

- Transfers the requirements required for graduation to a new section (10).
- Clarifies that school districts may require additional credits for graduation beyond the 22 credits required by the state.

### Section 10: High School Graduation Minimum Requirements

- Restates the minimum requirements for high school graduation.

### Section 11: CTE Scholarship

- States the requirements to receive a CTE scholarship, and organizes them to parallel graduation requirements.
- Replaces the requirement of obtaining a “B average” to obtaining a 3.0 on a 4.0 grading scale.

### Section 12: Academic Scholarship

- States the requirements to receive an academic scholarship, and organizes them to parallel graduation requirements.
- Replaces the requirement of obtaining a “B average” to obtaining a 3.0 average on a 4.0 grading scale.

### Section 13: Scholarship Amount

- Adds language to require the SBHE to monitor the academic performance of the scholarship recipients to insure they maintain a 2.75 average in college.



#### Section 14: Scholarship Appropriation

- One time per semester, the SBHE will request transfer of the necessary funds from the interest and other income of the lands and minerals trust fund to the ND scholarship fund.

#### Section 15: Reading, Math and Science Test

- One test must be administered annually to students in 3, 4, 5, 6, 7, 8 and 11. The changes reflect an update in language.

#### Section 16: Career Interest Planning

- School districts must provide either an individual meeting or 9 week course to discuss the results of their career interest survey as it relates to their education plans. Students may request a consultation on their high school education plan at least once per year.

#### Section 17: ACT

- The ACT writing component is added to the required ACT test.
- DPI is responsible for administering and acquiring the test through contract. In the past, the school districts were responsible for this.
- All public and private schools will report: who took the required tests, and who were exempt, including the reason for exemption.

#### Section 18: Weighted ADM

- English Language Learner (ELL) categories have been established into 6 categories; funding is provided for the first three categories. No fiscal change.
  - .30 factor for the first of six categories
  - .20 factor for the second of six categories
  - .07 factor for the third of six categories
- .10 factor added for students who are in a district with less than 100 students and in an area greater than 275 square miles. If the school district has an area greater than 600 square miles and less than 50 students, the enrollment will be considered 50 students. This replaces the current program for isolated schools.
- .073 factor for special education ADM.
- .06 factor for a supplemental teacher-effectiveness compensation plan.
- .006 factor for PowerSchool.
- Deletes .002 factor for technology.

#### Section 19: Per Student Rate

- Increases the per student rate for the first year of the biennium by \$100 for a total of \$3879. Increases the second year of the biennium by \$100 to \$3979.

Section 20: Minimum and Maximum Funding

- DPI will ensure that the baseline state aid payment to a district per weighted student unit less any amount received as equity payments does not exceed 142% of the baseline funding per weighted student for the 2011-2012 school year. This is an increase from 134% of the baseline funding.
- Eliminates the maximum payment limitation for school year 2012-13 and thereafter.

Section 21: Equity Payments

- In determining the statewide average imputed taxable valuation per student, the calculation may **not** include:
  - 1) any school district which if included would have an imputed taxable valuation per student that is three times greater than the statewide average imputed taxable valuation per student;
  - 2) any school district which if included would have an imputed taxable valuation per student that is less than 1/5<sup>th</sup> of the statewide average imputed taxable valuation per student.
- This change eliminates special situations that might distort the statewide average ITVPS which is used to determine the equity payments. Affirms the taxable year 2008 as reference for the district's general fund mill levy for purposes of determining the district's imputed taxable valuation.

Section 22: Unobligated General Fund Balance

- Deletes old language regarding ending fund balance, stimulus and other funds. Deletes the requirement for a district with excess exclusions from their ending fund balance determination to report to the legislative council.
- Affirms that the excess unobligated general fund balance is the amount in excess of 45% of its actual expenditures + \$20,000.
- Funding from the Education Jobs fund (federal money) is **not** to be included in the unobligated ending fund balance.

Section 23: Supplemental Teacher-effectiveness compensation

- School boards and teacher representative organizations are permitted to pursue agreements for teachers to participate in a supplemental teacher effectiveness compensation plan.
- Only teachers employed by the district or teachers employed in a particular school within the district are eligible.





Section 24: Supplemental Teacher-effectiveness compensation—Development Committee Membership

- If the school board and teacher representative organization agree to pursue a plan, they shall form a local committee to develop the plan. Membership must be jointly agreed upon by the school board and the representative organization. The committee may establish their own rules of operation and the committee is considered a public entity.

Section 25: Supplemental Teacher-effectiveness compensation—Required Content

- The plans that are developed by the local committees must only address compensation to the teacher and take into account the following components:
  - Difficulty in filling positions with a highly qualified teacher;
  - Advanced degrees or special skills beyond the minimum requirements;
  - Participation in professional development activities;
  - Additional responsibilities outside job description;
  - Academic and other measures of student growth.
- The plans must have an evaluation method for each component of the plan that corresponds with each individual teacher.
- No teacher may receive less compensation than previously contracted for.
- The plan is not subject to a declaration of impasse.

Section 26: Supplemental Teacher-effectiveness compensation—Review Panel

- The local planning committee of the supplemental teacher effectiveness compensation must submit their plan to a review panel which consists of:
  - Two DPI employees selected by the Superintendent of Public Instruction;
  - Two individuals appointed by the ND Council of Educational Leaders (NDCEL);
  - Two individuals appointed by the ND Education Association (NDEA);
  - Two individuals appointed by the ND School Boards Association (NDSBA).
- The review panel must approve or deny plans submitted, and provide funding accordingly.
- The review panel must provide recommendations for denied applicants.
- Modified plans will be reconsidered for approval and funding.
- Plans must be received before April to be considered for funding in the following school year.
- The review panel shall distribute guidelines and offer advice on compensation plans.



### Section 27: Supplemental Teacher-effectiveness compensation—Annual Report

- Any school who receives funding for a supplemental teacher effectiveness compensation plan is required to submit an annual report to the DPI, as instructed by the Superintendent.
- The annual report is to establish if the plan has achieved the following:
  - Alleviated difficulty in filling positions with qualified individuals;
  - An increased number of teachers pursuing advanced education or special skills;
  - An increased number of teachers pursuing professional development activities;
  - An increased number of teachers pursuing additional responsibilities;
  - Measurable academic student growth, or other kinds of student growth.
- The report must also include suggestions for changes to their plan if appropriate.
- The representative organization must also submit in writing a statement of agreement with the report, or file a separate report providing modifications or suggestions to the plan.
- If both the school district and the representative organization agree to continue the plan, with or without changes, the report must include a request to continue funding.
- DPI will provide copies of the reports to the review panel.

### Section 28: Existing Contracts

- Upholds the contracts in place that were established before July 1, 2011 and allows a teacher to enter into an additional contract for supplemental teacher-effectiveness compensation in addition to their existing contract on July 1, 2012.

### Section 29: Supplemental Teacher-effectiveness compensation—Review Panel Expense Reimbursement

- The members of the review panel are entitled to reimbursement of expenses, at state rates (for appropriation amount, see section 36).

### Section 30: Isolated School Transition Payments

- If during the 2010-2011 school year, a school district received an isolated school payment, and the district is not eligible under the proposed isolated school factor in the formula, the district is entitled to a transition payment according to the isolated school formula as it existed on June 30, 2011 in the following schedule:
  - 2011-2012: an amount equal to what they would have received
  - 2012-2013: 75% of the amount they would have received
  - 2013-2014: 50 % of what they would have received
  - 2014-2015: 25% of what they would have received
- If the school closes, the isolated school payment will be discontinued.



Section 31: Transportation Grant Distribution

- The reimbursement that is issued to school districts for the 2011-13 school year for state transportation grant, which is based on the state transportation formula, is as follows:
  - \$1.03 per mile for school busses with a capacity of 10 or more passengers
  - \$.46 per mile for vehicles with a capacity of 9 or fewer passengers
  - \$.46 per mile for one way transportation for students who:
    - Reside more than 2 miles from the school;
    - Are transported by a family member;
    - Are driving a vehicle furnished by the parent;
    - Are provided transportation paid for by the parent.
  - \$.26 per student for each one-way trip

Section 32: Use of New Money for Teacher Compensation

- The existing language regarding new money is re-enacted.
- In the 2011-13 biennium, at least 70% of all new money received from the per student payment is to be used to compensate teachers.
- New money is determined by taking the difference of the per student payment from 2009-2011 biennium and the 2011-2013 biennium with the following exclusions: equity payments, transportation payments, contingency distributions, mill levy reduction payments, technology support payments.

Section 33: Regional Education Association Grants

- \$800,000 in grants for the REA's for the compensation of coordinators. REA's must:
  - Employ a coordinator for 12 months on a full time or part time basis;
  - Provide 30% of the salary for the coordinator from other revenue sources.
- Maximum grant to an REA per year is the lesser of \$50,000 or 70% of the total compensation of the coordinator.

Section 34: Child Care Development Associate Credential

- \$150,000 appropriated to the Department of Commerce for individuals seeking a child development associate credential. Grants of \$1200 will be provided to 125 individuals in the 2011-13 biennium.

Section 35: Principal Mentorship Grants

- DPI is appropriated \$461,500 to contract with a statewide educational entity to develop and implement a principal mentorship program. Preference given to first year principals.



Section 36: Supplemental Teacher-effectiveness compensation—Appropriation for Review Panel

- DPI is appropriated \$20,000 for the expenses of the review panel for the 2011-2013 biennium.

Section 37: Repeal

- Section 15.1-2715 is repealed (Isolated School language. See Section 30 for replacement).





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**FINAL REPORT TO:**

**GOVERNOR JACK DALRYMPLE**

*and the*

**NORTH DAKOTA**

**INTERIM LEGISLATIVE COMMITTEE  
ON EDUCATION FINANCE**

*and the*

**NORTH DAKOTA**

**LEGISLATIVE ASSEMBLY**

*as ordered by*

**HOUSE BILL 1400**

(2009 SESSION LAWS)

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**FROM:**

**NORTH DAKOTA COMMISSION  
ON EDUCATION IMPROVEMENT**

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GOVERNOR JACK DALRYMPLE, CHAIRMAN  
WAYNE SANSTEAD, ND SUPERINTENDENT OF PUBLIC INSTRUCTION  
WAYNE KUTZER, DIRECTOR & EXECUTIVE OFFICER, CAREER & TECH. EDUCATION  
JEFF LIND, SUPERINTENDENT, RUGBY PUBLIC SCHOOL DISTRICT  
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FR. JAMES SHEA, PRESIDENT, UNIVERSITY OF MARY  
BILL GOETZ, CHANCELLOR, ND UNIVERSITY SYSTEM

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December 30, 2010  
Bismarck · North Dakota

#4 SB2150

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## INTRODUCTION

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On December 16, 2003, an amended complaint was filed by nine North Dakota school districts requesting that the state's public school finance system be declared unconstitutional. The state denied and continued to deny the core complaint brought forward by the plaintiffs.

On January 10, 2006, the parties in opposition determined that it was desirable for them to stay the action and provide the North Dakota Legislative Assembly with the opportunity to settle, compromise, and resolve this action on certain terms and conditions. Consequently, the parties executed an "Agreement to Stay Litigation."

The first condition accepted by both parties was that the Governor issue an Executive Order creating a North Dakota Commission on Education Improvement. The Commission members included the Lieutenant Governor, Superintendent of Public Instruction, four school district administrators, and four legislators. The Commission also included four non-voting members. Three represented the state's teachers, school boards, and school administrators, and the remaining individual served as a special advisor on the school funding formula.

The Commission was instructed to prepare a report recommending ways to improve the current system of delivering and financing elementary and secondary education, including the equitable distribution of state education dollars. The first report was delivered

## INTRODUCTION

to the Governor and the Legislative Assembly on January 3, 2007 and became the basis for Senate Bill 2200, which was passed by the 60<sup>th</sup> Legislative Assembly. It enacted almost all of the recommendations included in the Commission's report.

A second report, which reflected the second phase of the Commission's work, was delivered on January 6, 2009 and contained recommendations to further improve the equity of the state's school funding system and recommendations to ensure the overall adequacy of funding for all North Dakota school districts. It provided the basis for House Bill 1400 which was passed by the 61<sup>st</sup> Legislative Assembly in the 2009 Session.

These two bills resolved all of the issues brought forward by the plaintiffs, and no further conditions for dismissal remained after the close of the 61<sup>st</sup> Legislative Assembly in April, 2009. Nevertheless, HB1400 included a provision continuing the work of the Commission and in particular its effort to improve education in North Dakota.

The membership of the Commission was revised to include 10 voting members: the Lieutenant Governor, the Superintendent of Public Instruction, three district superintendents selected by the chairman of the Legislative Council, four legislators, and the director of the Department of Career and Technical Education. It also included six non-voting members: three representing teachers, school boards, and administrators; the president of a private college; the manager of a business; and the Commissioner of Higher Education.

The Commission was charged with the responsibility of examining equity and adequacy in school finance, graduation and curricular standards, seamless transition from high school to college, student performance measures, and the quality of instruction.

## TERMINOLOGY: K-12 FUNDING FORMULAS

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- 1) ADJUSTED GENERAL FUND MILL LEVY      A district's general fund mill levy after being reduced by the mills paid by the state property tax relief program.
- 2) BASE ADM      The figure that represents the number of students in grades K-12 together with the number of students enrolled in pre-kindergarten special education programs.
- 3) ELL STUDENT      A student who is determined to be an English language learner in accordance with a state test in English proficiency, and is enrolled in a remedial English program.
- 4) EQUITY PAYMENT      A payment to school districts to offset the deficiency of revenues caused by inadequate taxable valuation and lack of other revenues.
- 5) ESY PROGRAM      An extended school year program for students with disabilities.
- 6) IMPUTED TAXABLE VALUATION      The taxable valuation of real property plus the theoretical valuation created by dividing a district's non-state revenue

received from sources other than property by the district's combined education mill levy for taxable year 2008. These sources specifically include 70% of the district's mineral and tuition revenue, 70% of US flood settlement payments, 70% of in-lieu of tax payments from REC's, mobile home tax revenue, and telecommunications tax revenue.

- 7) MISSING VALUATION PER STUDENT The amount by which a district's imputed taxable valuation per student falls below the state average imputed taxable valuation per student.
- 8) PER STUDENT PAYMENT The state payment for each weighted student unit.
- 9) SCHOOL DISTRICT SIZE WEIGHTING FACTOR The factor that adjusts for the cost of operating school districts of various sizes.
- 10) STATE AID PAYMENT The total of all state dollars paid to a school district under the main education funding formula. This term does not include transportation payments.
- 11) STATE ASSISTED LOCAL FUNDING The amount of local revenue that is provided by the state through the mill levy reduction program.
- 12) TOTAL VALUATION DEFICIENCY The missing valuation per student multiplied by the district's base ADM.
- 13) WEIGHTED ADM The figure that results from adding the base ADM and the

weighting factor adjusted ADM.

14) WEIGHTED STUDENT  
UNITS

The student payment units determined by multiplying the weighted ADM by the school district size weighting factor.

15) WEIGHTING FACTOR

The amount that is added to the base factor of 1.00 and which reflects the added cost of educating a student in each of several categories.

REVIEW OF PREVIOUS  
RECOMMENDATIONS AND FINAL  
PROVISIONS OF 2009 HOUSE BILL 1400

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MAIN FUNDING FORMULA

<u>COMMISSION RECOMMENDATIONS 2008</u>	<u>2009 HOUSE BILL 1400</u>
1) Provide "adequacy" in education funding with an increase of over \$100,000,000 in K-12 funding.	Enacted.
2) \$10 million should be made available to school districts for deferred maintenance provided the revised forecast ending fund balance forecast exceeds the original forecast by \$30 million.	\$85.6 million appropriated as one-time state grants for maintenance.
3) Revise the weighting factor for regular special education students from .067 to .07	Enacted.
4) Establish a factor of .05 for "at risk" students (i.e. those considered eligible for the free or reduced cost lunch program).	Enacted effective 7/1/11 with a factor of .025.



RECOMMENDATIONS

2009 HOUSE BILL 1400

- |  |  |
|--|--|
| 5) Establish three levels of English language proficiency and apply factors of .20 for Level I, .05 for Level II, and .02 for Level III students based on a proficiency test approved by DPI.  | Enacted with factors of .30 for Level I, .20 for Level II, and .07 for Level III students. |
| 6) Discontinue the minimum mill levy offset, which triggered at 155 mills.   | Enacted.   |
| 7) Apply the ending fund balance deduct from state aid after all other calculations except those revenues specifically excluded by law (and if depleted apply the deduct to transportation payments).  | Enacted by HB 1400 and by rule.  |
| 8) State aid per weighted student unit in 2009-10 should be no less than 108% of the baseline funding per weighted student unit, which is defined as the adjusted state aid received during the 2006-07 school year divided by the 2007-08 weighted student units (increased from 106% the previous year). | Enacted.   |

RECOMMENDATIONS

2009 HOUSE BILL 1400

- |   |   |
|---|---|
| 9) State aid per weighted student unit in 2010 -11 should be no less than 112.5% of the baseline funding per weighted student unit.           | Enacted.  |
| 10) State aid per weighted student unit in 2009 – 10 should not exceed 120% of the baseline funding per weighted student unit.                | Enacted.  |
| 11) State aid per weighted student unit in 2010 – 11 and thereafter should not exceed 134% of the baseline funding per weighted student unit. | Enacted.  |
| 12) Re-authorize school district planning grants and the membership and duties of the North Dakota Commission on Education Improvement.       | Enacted.  |
| 13) 70% of all new money, excluding certain payments, should be used to increase teacher compensation.  | Enacted with an additional exclusion for new one-time state grants for maintenance. |

RECOMMENDATIONS

HOUSE BILL 1400

14) Any district that experienced an abnormal drop in federal fund revenues in the base year 2006-2007 should be allowed a base year computed as a two-year average.

Enacted.

15) The equity payment should remain unchanged. Districts that re-organize and districts that receive land from a dissolved district should receive no decrease in equity payments for two years.

Enacted.

## STUDENT PERFORMANCE STRATEGIES

### COMMISSION RECOMMENDATIONS 2008

1) Require one licensed tutor for every 400 students in grades K-3 beginning in 2010, in addition to tutors funded by Federal Title I. School districts may substitute an additional instructional coach if it is more beneficial.

2) Increase the staffing level for counselors in an accredited school district from one FTE counselor per 450 students to one per 300 students in grades 7-12 and allow up to one third of these positions to be filled by "career advisors", who must have a bachelors' degree, work experience, and a certificate in career development from the department of career and technical education.

### 2009 HOUSE BILL 1400

Enacted using the term "Student Performance Strategist".

Enacted.

COMMISSION RECOMMENDATIONS 2008

2009 HOUSE BILL 1400

- |  |          |
|--|----------|
| 3) Appropriate \$390,000 to the department of career and technical education for the training, certification, and supervision of career advisors.<br><br>CTE may issue provisional certificates. A national Career Development Facilitator credential should be obtained within two years. | Enacted. |
| 4) Appropriate \$123,618 to the Superintendent of Public Instruction for one FTE administrator to monitor the new counselor/career advisor requirement.  | Enacted. |
| 5) Provide summer program funding for K-8 remedial mathematics and remedial reading. Effective July 1, 2010 provide science and social studies courses in addition to mathematics and reading for students in grades 5-8.  | Enacted. |

## CURRICULUM

### COMMISSION RECOMMENDATIONS 2008

### 2009 HOUSE BILL 1400

- |  |  |
|--|--|
| 1) Create a merit diploma that requires three years of math, three years of science, and three years of focused electives emphasizing languages, fine arts, and career and technical education, for a total of 22 units required.  | Enacted as the requirements for a high school diploma. |
| 2) Allow certain students to select an optional high school curriculum with two years of math, two years of science, and three years of focused electives under a specific set of circumstances, for a total of 21 units required.   | Enacted.   |
| 3) Provide a career and technical education scholarship of \$750 per semester to any high school graduate who completes additional career and technical education units, achieves a grade point average of 3.0, and receives a 24 on the ACT or a 5 on each of three WorkKeys assessments. | Enacted.   |

RECOMMENDATIONS

- 4) Provide an academic scholarship of \$750 per semester to any high school graduate who completes additional academic requirements, achieves a 3.0 grade point average, and receives a 24 on the ACT.
  
- 5) Begin awarding scholarships to eligible graduates from the class of 2012.
  
- 6) Forward scholarships directly to institutions of higher education beginning with the 2012-13 academic year.

HOUSE BILL 1400

Enacted.

Enacted effective for the class of 2011. For the class of 2010, curriculum requirements are waived.

Scholarship funding begins with the 2010-11 year.

## ASSESSMENTS

### COMMISSION RECOMMENDATIONS 2008

- 1) Require for accreditation and cost share a formative or interim assessment such as “Measures of Academic Progress” for grades 2-10.
- 2) Require for accreditation that a “career interest inventory” be given to all students at least once in grades 7-10.
- 3) Require and fund the cost of a summative test (e.g. ACT, SAT, or WorkKeys) before graduation.
- 4) Provide \$560,000 in state aid for the summative test and \$535,000 in state aid for the interim assessment.

### 2009 HOUSE BILL 1400

Enacted as a requirement for all students in grades 2-10 at least once per year.

Enacted as a requirement for all students at least once in grade 7 or 8 and at least once in grade 9 or 10.

Required all students in grade 11 to take the ACT or 3 WorkKeys assessments.

Provided districts with additional state aid to reimburse districts for the cost of the required assessments.



INFORMATION TECHNOLOGY

STUDENT DATA

COMMISSION RECOMMENDATIONS 2008

2009 HOUSE BILL 1400

- |  |   |
|--|---|
| 1) Fund Information Technology Department budget requests for PowerSchool, the Longitudinal Data system, the Wide Area Network, and the Center for Distance Education. | Enacted without two FTE for PowerSchool implementation. |
| 2) Require that all districts use PowerSchool by September, 2010.  | Enacted without a deadline date.                        |

PRE – KINDERGARTEN

COMMISSION RECOMMENDATIONS 2008

2009 HOUSE BILL 1400

- |   |              |
|---|--------------|
| 1) Establish a North Dakota Early Learning Council.   | Enacted.     |
| 2) Provide a Pre-K funding factor of .20 for any four year old attending an approved program for at least two half-days per week. | Not enacted. |

REGIONAL EDUCATION ASSOCIATIONS

COMMISSION RECOMMENDATIONS 2008

2009 HOUSE BILL 1400

- |  |   |
|--|---|
| 1) \$25,000 should be provided each year to each of eight REAs, and \$2.6 million through a formula factor of .004 for each participating student, paid directly to the REA. | Enacted. Funds appropriated by HB 1013. |
|--|---|

## SPECIAL EDUCATION

### COMMISSION RECOMMENDATIONS 2008

### 2009 HOUSE BILL 1400

- |  |   |
|--|---|
| 1) Adjust the multiplier from 4.5 to 4.0 times the state average cost of education for the 1% of special education students requiring the greatest expenditures, and appropriate \$15.5 million. | Enacted. Funds appropriated by HB 1013. |
| 2) Transfer savings from special education contracts to the state aid line item prior to June 30, 2009 and June 30, 2011.  | Enacted.                                |
| 3) Authorize transfer from the Bank of North Dakota to guarantee funding for the cost of special education contracts.  | Enacted.                                |

## PROFESSIONAL DEVELOPMENT

### COMMISSION RECOMMENDATIONS 2008

### 2009 HOUSE BILL 1400

- |  |  |
|--|--|
| 1) Authorize four early dismissal days beginning with the 2010-11 school year to provide two hours for teacher collaboration.  | Enacted.   |
| 2) Increase the number of instructional days from 173 to 174 days to offset the new early dismissal days in 2010.  | Enacted.   |
| 3) Add an additional instructional day if resources allow.   | Enacted effective July 1, 2011.                              |
| 4) Add a third day dedicated to teacher professional development.  | Not enacted.   |
| 5) Require that each school district adopt a professional development plan and have it reviewed by the Superintendent of Public Instruction and a Professional Development Advisory Committee. | Enacted. (Superintendent to appoint the advisory committee). |

RECOMMENDATIONS

6) Provide \$219,032 to DPI for one administrative staff position and one support staff position to review and propose improvements to professional development plans, manage instructional coaching grants, and oversee compliance with new curricular requirements.

7) Expand the mentorship grant program administered by ESPB to a funding level of \$2.3 million for the training of first year teachers.

8) Provide \$500,000 in grant funds for three pilot programs featuring model instructional coaching.

HOUSE BILL 1400

Enacted.

Enacted with flexibility to also train experienced teachers. Labeled "Teacher Support System Program."

Replaced with \$500,000 for a National Board Certification Fund to be administered by the Education Standards and Practices Board.

## TRANSPORTATION PAYMENTS

### COMMISSION RECOMMENDATIONS 2008

- 1) Set transportation payments at \$.81 per mile for large school bus miles; \$.42 for small vehicle miles; and \$.22 per ride for students transported.
  
- 2) Increase the transportation grants by \$5 million.

### 2009 HOUSE BILL 1400

Enacted at \$.92 per mile for large school buses carrying 10 or more; \$.42 per mile for smaller vehicles carrying 9 or less; and \$.24 per student for each one-way trip.

Enacted with a \$10 million increase for transportation grants plus an additional \$5 million if the ending fund balance forecast at the close of the 2009 session for 6/30/11 is exceeded by the revised ending fund balance forecast for 6/30/11 by \$30 million on either 7/31/10 or 4/30/11.

# K - 1 2 E D U C A T I O N : M A I N F U N D I N G F O R M U L A

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## BACKGROUND

Significant improvements were made in the equity of school funding through the passage of SB2200 in 2007 and HB 1400 in 2009. The key system for delivering this equity is reflected in the weighting factors which, when multiplied times the per student payment, reflect all of the added costs for certain categories of students (see Table 1, page 27).

In addition to the weighting factor system, equity is provided by means of special equity payments to districts whose imputed taxable valuation per student (ITVPP) is less than 90% of the statewide average imputed taxable valuation per student. Further, state aid payments are reduced to districts whose ITVPP is greater than 150% of the statewide average ITVPP.

HB 1400 also addressed the issue of school funding adequacy by bringing the state's support for K-12 education up to the level recommended by Allan Odden and Lawrence Picus, two nationally recognized authorities in school funding adequacy. Most of the funding recommendations presented in their report, "Funding Schools Adequately in North Dakota", were adopted in HB 1400.

The Picus report also recommended that these additional financial resources be used to improve student performance through several initiatives in student support, professional

development, curriculum, assessments, and scholarships. New funding was provided for licensed tutors in grades K-3, instructional coaches, and a new subcategory of counselors called “career advisors”. Curriculum was strengthened at the core by requiring three years of mathematics, three years of science, and three years of focused electives emphasizing foreign languages, fine arts, and career and technical education. A total of 22 units is now required for a North Dakota high school diploma.

New scholarships were created for students pursuing either an academic path or a career and technical education path, provided the students attained a 3.0 grade point average and received a 24 on the ACT or a 5 on three WorkKeys assessment units. Eligible students receive \$750 per semester up to a total of \$6000.

Opportunities for professional development were strengthened by adding four early dismissal days with two hours each time for teacher collaboration. A professional development plan was required to be developed by every district and feedback must be provided by the Superintendent of Public Instruction and a Professional Development Advisory Committee.

In addition, funding was expanded for a mentorship program designed to assist first year teachers. The program is administered by the Education Standards and Practices Board. Funds were also provided to assist teachers who pursue National Board Certification.

In order to improve student performance, certain assessments were required. All students in grade 11 will take the ACT or 3 WorkKeys assessments. Students in grades 7-10 must take a “career interest inventory” once in grades 7-8 and once in grades 9-10. Students in grades 2-10 must be given a formative or interim assessment at least once each year.



The legislature supported the installation of a Longitudinal Data System to track the progress of students from Kindergarten through grade 12 and on into college or the workplace. This system is needed to determine which student performance strategies are producing the best results and what education policy changes may be needed in the future. The core element of this system at the K-12 level is PowerSchool, the state's required student information program.

This multifaceted approach of adequate funding and new performance strategies will ensure improvement in student performance in North Dakota in the coming years and ensure that students are prepared to maximize their opportunities in postsecondary education or in the workplace.

### RECOMMENDATIONS FOR 2011 - 2013

- 1) The Commission recommends that the .002 technology factor be replaced with a .006 "Data Collection Factor" for each student tracked by the PowerSchool student information system currently required for every school district. Districts in the process of training and implementing PowerSchool at the beginning of the school year would also be eligible for the factor multiplied times their base ADM. Monies attributed to the data collection factor would be forwarded on behalf of a school district directly to the Information Technology Department for the sole purpose of purchasing, installing and supporting services related to the cost of PowerSchool. A general fund appropriation to ITD for this purpose would no longer be needed. Two full-time positions should be authorized at ITD for the 2011 – 2013 biennium only at

a cost of \$330,500 to be funded by the Data Collection Factor. The Commission recommends that all public schools regardless of size continue to be required to use PowerSchool. The Superintendent of Public Instruction should be authorized to waive the PowerSchool requirement for reservation schools that are required to use a specific program by federal law. However, the Superintendent should enforce the general requirement for a compatible reporting system. Funds distributed under this factor are not subject to the requirement that 70 percent of all new funds be used to increase teacher compensation. At such time as all schools are using PowerSchool after the 2011-13 biennium, the Data Collection Factor will no longer be a cost differentiator and may be converted into an additional per student payment.

- 2) The Commission recommends that \$678,400 be appropriated in the operating line in the budget for the Department of Public Instruction to pay the entire cost of the WorkKeys or ACT test, including the writing section, which must be taken once by every 11<sup>th</sup> grade student in every high school in North Dakota. Distribution of funds to school districts for ACT costs should be discontinued. Every school district must report to DPI the number of students who participated and explain the circumstances surrounding those who did not participate and accommodations made.
- 3) The Commission recommends amending Section 15.1-27-11, Paragraph 6b(1) and (2) of the Century Code by clarifying that the divisor in computing the imputed taxable valuation is to be “the district’s general fund levy for the taxable year 2008.”

- 4) The Commission recommends that the method for determining the statewide average imputed taxable valuation per student be amended to reduce volatility in the average caused by one-time surges in revenue or sudden discontinuations of revenue in individual districts. The statewide average also has the potential of being distorted by atypical districts. Specifically, the Commission recommends that in determining the statewide average imputed taxable valuation per student (ITVPP), any district whose ITVPP is more than 3 times the statewide average, or any district whose ITVPP is less than one fifth of the statewide average, should be disregarded in computing the statewide average imputed taxable valuation per student. This adjustment has a minimal impact on the resulting statewide average but does reduce volatility from year to year.
- 5) The Commission recommends that the formula for Isolated Schools should be amended to provide a weighting factor for school districts that meet the definition of "Isolated." This recommendation is based on several weaknesses found in the current formula. First, the current formula provides payments to schools based on a hypothetical situation, which is the possibility of students needing to be transported to another neighboring school in the event that the original school is closed. There is no stipulation regarding when the school would close, if ever. Secondly, the current formula provides payments for students who do not exist. It is possible that 15 per-student payments could be required from the state for only one student actually being educated. Thirdly, the current formula is based on the circumstances in individual school buildings rather than the complete circumstances of the entire school district,

which reflects the overall financial challenges being encountered. Finally, the current formula for Isolated Schools is a separate formula from the main school funding formula and thereby negates the value of having all added education costs integrated into a single formula.

Specifically, the Commission recommends that any school district having fewer than 100 students in Average Daily Membership and an area in excess of 275 square miles be defined as an “Isolated” school district. Further, any student in ADM in an “Isolated” school district should be assigned an additional weighting factor of .10, to be multiplied times the school district’s base ADM. The Commission also recommends that a special provision be adopted for those districts that have an area in excess of 600 square miles whereby the state must distribute state aid for no less than 50 ADM. The resulting state aid is still subject to further adjustments for high valuation and an excess ending fund balance. These provisions would replace current statutes governing isolated schools.

For any school formerly defined as an isolated school that is not eligible for the new factor, a transition payment should be provided for the 2011-2012 school year equal to 100 percent of the amount distributed in 2010-2011. Thereafter the payment should be reduced by 25 percent of the 2010-11 amount each of the following three years and then discontinued. If a school that receives the transition payment closes, the transition payment should be discontinued.

- 6) The Commission recommends that the weighting factor for Special Education ADM should be increased from .07 to .073 to reflect more accurately the number of students needing special education services. The factor is applied to the base ADM, which includes Pre-K Special Ed ADM.
- 7) The Commission recommends an increase of \$500,000 in funding for special education contract reimbursements.
- 8) The Commission recommends that, for the 2011-2012 school year, the total amount of state aid payable to a district per weighted student unit not exceed 142% of the baseline funding per weighted student unit. The Commission recommends that for the 2012-2013 school year, and for all years thereafter, the allowable increase in the per student payment should not be subject to a maximum.
- 9) The Commission recommends paralleling of the language in Section 52 of Senate Bill 2200 (2007 Session), so that during the 2011-2013 biennium, the board of each school district must use an amount equal to a least 70 percent of all new money from the state to increase the compensation paid to teachers. This calculation would not include equity payments, transportation payments, contingency payments, mill levy reduction payments, or data collection payments. The Section includes a procedure for the board to become exempt from the requirement under special circumstances.
- 10) The Commission recommends that the state reimbursement for transportation costs be increased by \$5 million. Reimbursement for large school buses should increase from 92¢ per mile to \$1.03 per mile. Reimbursement for small buses should increase from 44¢ per mile to 46¢ per mile, and the rate per student ride should increase from

24¢ to 26¢. Family transportation should be increased to 46¢ for each mile over two miles, one way. This recommendation assumes that the contingent appropriation for \$5 million enacted by the 2009 Legislative Assembly will not be triggered on 4/30/11. However policy makers should monitor the status of the trigger for the contingent appropriation.

- 11) The Commission recommends that the per student payment provided in state aid be increased by \$100 per student in 2011-12 and an additional \$100 per student in 2012-13.

TABLE 1

ILLUSTRATION FOR REVISED MAIN FUNDING FORMULA  
 PREPARED FOR THE ND COMMISSION ON EDUCATION IMPROVEMENT  
*(Based on Grafton School District)*

KEY	DESCRIPTION	ADM	WEIGHTING FACTOR	WEIGHTED ADM
1	Grades K-12 ADM <i>(based on prior year-end)</i>	828.00	1.00	828.00
2	PK Special Ed ADM	24.00	1.00	24.00
3	<b>BASE ADM</b>			<b>852.00</b>
4	Special Ed ADM <i>(base ADM)</i>	852.00	0.073	62.20
5	Pre-K Special Ed ADM	24.00	0.17	4.08
6	English Language Learners: Level 1	5.00	0.30	1.50
7	English Language Learners: Level 2	6.00	0.20	1.20
8	English Language Learners: Level 3	20.00	0.07	1.40
9	Special Ed ESY	10.00	1.00	10.00
10	Alternative High School	0.00	0.25	0.00
11	Summer School	16.00	0.60	9.60
12	Migrant Summer School	50.00	1.00	50.00
13	Home Education <i>(district supervised)</i>	6.00	0.50	3.00
14	At Risk – Poverty	180.00	0.05	9.00
15	Isolated	0.00	0.10	0.00
16	Cross Border Attendance (MT, MN)	0.00	0.20	0.00
17	Data Collection <i>(base ADM)</i>	852.00	0.006	5.11
18	Regional Education Association <i>(base ADM)</i>	852.00	0.004	3.41
19	<i>Alternative Teacher Compensation Program</i>	-	.060	-
20	<b>WEIGHTED ADM TOTAL</b>			<b>1,012.50</b>
21	<b>SCHOOL SIZE WEIGHTING FACTOR</b>		x	<b>1.01</b>
22	<b>WEIGHTED STUDENT UNITS</b>			<b>1,022.63</b>
23	<b>PER STUDENT PAYMENT</b>		x	<b>\$ 3,779.00</b>
24	<b>TOTAL STATE AID PAYMENT</b>			<b>\$3,864,518.77</b>

Recommended Payment Rate Year 1 = \$3,879

Recommended Payment Rate Year 2 = \$3,979

Alternative Teacher Compensation Program becomes effective year 2.

# CURRICULUM

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## BACKGROUND

The Commission agreed that the concept of an “adequate” education means a large percentage of high school seniors can be shown to be “ready for college” and/or “ready for work” upon graduation. This requires quality instruction as well as the curriculum necessary to ensure that students perform well on the state assessment and on a nationally recognized test such as the ACT.

In the 2009 legislative session the requirements for a high school diploma were changed to include a third year of mathematics and a third year of science. The total number of units required for graduation was set at 22 units. Some focus must also be achieved in electives through a requirement that 3 units of electives be selected only from the following subjects: foreign or native American language; fine arts; and career and technical education.

The Legislative Assembly also made available an “optional curriculum” for academically struggling students, provided the students have received the concurrence of a parent and a counselor to pursue a less rigorous high school curriculum. The number of units for a diploma based on an optional curriculum was set at 21 units.

Providing an array of educational opportunities to students is challenging under any circumstances and particularly so in a sparsely populated state, with a high number of school districts, and a declining number of students. With the continued demand for advanced courses in mathematics and science, additional foreign languages, and greater exposure to



career and technical education, the role of virtual classrooms and virtual schools in the state's educational fabric will only increase. Therefore, it is incumbent upon the state to ensure that the offerings are both high in quality and affordable.

The North Dakota Center for Distance Education, located on the campus of North Dakota University, in Fargo, is an accredited non-profit distance-education high school that has been serving students around the world for 75 years. In order to remain viable, it is requesting both organizational restructuring and budgetary enhancements. Specifically, it is suggesting that it be allowed to: 1) decrease the charge of a one-semester course for North Dakota students to a cost competitive price; 2) narrow the focus of the Center's distance education services; 3) reduce certain staff costs; and 4) increase the staff commitment to marketing and customer services.

Currently the ND Center for Distant Education course offerings are not competitive with other online vendors such as Jeffco and Odysseyware that charge approximately \$125 per semester course. Some might question why the state should not rely entirely on outside vendors. The answer is that the curricula purchased from outside vendors may lack rigor or be incomplete. There is currently no quality assurance mechanism in place to ensure that courses purchased from outside vendors cover the needed curriculum and provide the expected student achievement. In addition, no instructor contact is required with outside vendors, whereas the Center does require oversight and access to a teacher licensed in North Dakota. The goal should not be to discourage the use of outside vendors, but to ensure that quality online course offerings are always available through the ND Center for Distance Education in the event that outside offerings become substandard.

## RECOMMENDATIONS

- 1) The Commission recommends an increase of \$780,000 in the budget for the ND Center for Distance Education to further subsidize tuition for North Dakota students enrolling in online courses. It also recommends a \$290,000 increase in salaries and benefits for the reorganized staff, and a \$318,000 increase for enhanced customer service for school districts statewide. The total increase of \$1,388,000 is offset by budget reductions of \$155,000, for a net cost of \$1,233,000. The Commission recommends that all distance education curricula offered in North Dakota meet state standards and that Advanced Placement and Dual Credit course offerings be increased.
- 2) The Commission recommends that the language of NDCC Section 15.1-21-0.1 be amended to clarify that the statutory requirements for North Dakota high school diploma are a minimum of 22 credits and that any school district, non-public school, or the ND for Distance Education may increase the required number of credits beyond 22 or impose a more rigorous set of course requirements. However, the requirements for a high school diploma based on an “optional curriculum” may not be increased beyond 21 credits or in regard to course requirements.
- 3) As the state moves toward a common core curriculum in high school, it becomes more important to have consistent standards for student placement in North Dakota’s 11 colleges and universities. Every high school graduate should know they are destined for a developmental course at any ND campus if they score below a certain level on the ACT or COMPASS tests. The Commission recommends that the North Dakota University

System adopt, and continuously evaluate uniform standards for placement in first year courses. The following scores are suggested:

	<u>2 year College</u>	<u>4 year College</u>
- Language arts Required scores for English 110	ACT 18 or COMPASS 77	ACT 18 or COMPASS 77
- Mathematics Required scores for Math 103	ACT 21 or COMPASS 47	ACT 22 or COMPASS 52
- Social Sciences 50% chance of "B" or higher in introductory course	ACT 21	ACT 21
- Physical Sciences 50% chance of "B" or higher in introductory course	ACT 24	ACT 24

- 4) The Commission recommends that the state continue to cooperate with other states in the development of common core standards and assessments that can be used to compare student progress with other states.
- 5) The Commission recommends that every student at least once in the 7<sup>th</sup> or 8<sup>th</sup> grade be required to take a course or undergo a consultation process relating to career and school planning. A school district may offer an 9 week course in the 7<sup>th</sup> or 8<sup>th</sup> grade or schedule individual discussions with students about the results of their career interest inventory, about the appropriate high school courses for their career interests, and about an individual education plan for their high school years. Each school district will be required to verify that these courses or consultations have taken place during the 7<sup>th</sup> or 8<sup>th</sup> grade.

The Commission further recommends that each student may request and receive a review of an individual education plan at least once during each year of high school.

- 6) The Commission recommends that American sign language be considered an alternative to foreign or native American languages in the statutory requirements for a North Dakota academic scholarship.
- 7) The Commission recommends that grants be provided for two pilot projects to improve language arts alignment between high schools and institutions of higher education. Each project must produce a report of their findings to be submitted to the Superintendent of Public Instruction. The Commission recommends that \$100,000 for this purpose be included in the line item for grants in the DPI budget bill to share in the cost of alignment conferences. One grant should be available to a 4-year college and one grant to a 2-year college.
- 8) The Commission recommends that the state Board of Higher Education consider developing a plan for “advising centers” on each campus, to improve student access to trained academic and career advisors, with hours extending into the evening and with online answers to questions. It further recommends that the ND University System move forward to an online degree audit report system.

# ASSESSMENT

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## BACKGROUND

The Commission determined that the final step in determining whether a student has received an “adequate” education is to ascertain whether the desired results have been achieved through the use of a variety of assessments.

In 2009 the Legislative Assembly provided funding and required that “formative” or “interim” assessments, such as the “Measures of Academic Progress”, be administered to students grades 2-10.

2009 House Bill 1400 also required every school district to provide a “career interest inventory” assessment at least once during grade 7 or grade 8 and at least one time during grade 9 or grade 10.

Finally, the Legislative Assembly provided funding for and required each student to take either the ACT or WorkKeys test prior to graduation.

The Commission received testimony that the writing skills of students have deteriorated over time and an assessment is needed to determine what curriculum and instructional changes need to be made to improve the writing skills of high school graduates. The writing component of the ACT test requires an additional 45 minutes at the time the regular ACT test is administered. The cost is an additional \$8.00 per student. The entire added cost to the state for the writing section of the ACT would be \$59,200, annually or \$118,400 per biennium.

## RECOMMENDATIONS

- 1) The Commission recommends that for those taking the ACT assessment, the writing section also be required of all high school students. The full ACT biennial cost of \$678,400, including \$118,400 for the writing section, should be included in the operating line of the appropriation bill for the Superintendent of Public Instruction, beginning with the 2011 – 2012 school year. All costs of the ACT test should be paid by the state directly. Every school district must report to DPI the number of students who participated and explain the circumstances surrounding those who did not participate and report accommodations made.

# SCHOLARSHIPS

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## BACKGROUND

In 2009, the Legislative Assembly made two significant improvements in the availability of scholarships for North Dakota high school graduates: one was a \$12.8 million increase in the state's funding for needs-based scholarships; the second was the creation of an academic scholarship and a career and technical education scholarship, both named the North Dakota Scholarships for graduates who take the required high school curriculum, obtain a 3.0 grade point average, and receive a composite score of at least 24 on the ACT or a score of at least 5 on three WorkKeys assessments. Students can receive \$750 per semester if they are enrolled full-time at an accredited institution of higher education in this state and maintain a grade point average of 2.75. The maximum amount that a student is eligible to receive is \$6000.

## RECOMMENDATIONS

- 1) The Commission recommends that any North Dakota high school graduate meeting all the requirements for a North Dakota Scholarship, other than the required grade point average, may become eligible in one of two ways: first, any student with a transcript showing a 3.0 grade point average or higher over four years with no "D's" or "F's" automatically qualifies for the scholarship; secondly, any student not qualifying in the

initial analysis may file an appeal with the Superintendent of Public Instruction showing the completion of 22 units of high school work qualifying the student for a high school diploma and scholarship. The grades received on the 22 units presented to the Superintendent must compute to an average of 3.0 or better and include no "D's" or "F's". The Superintendent shall be responsible for the determination of a student's eligibility for the scholarship for their first full time semester at a North Dakota college or university. The Commission recommends funding be included in the Department of Public Instruction for the Registrar tracking software. (\$5000)

- 2) The Commission recommends that the ND University System office monitor all students receiving the North Dakota Scholarship and determine whether they are achieving a 2.75 grade point average as a full time student. The University System shall notify the student within 5 days of determining that a student has achieved less than a 2.75 average for the previous semester. Any student failing to achieve a 2.75 grade point average is permanently ineligible thereafter for the North Dakota Scholarship.
- 3) As more students become eligible for the North Dakota Scholarship, the annual cost will increase to \$5 million in 2011-2012 and \$7.5 million in 2012-13. The required dollars will eventually come into competition with other priorities in higher education and K-12 education. In order to ensure the long-term sustainability of the North Dakota Scholarship, the Commission recommends that an ongoing funding source be identified, whereby moneys will be appropriated on the continuing basis to fund the North Dakota Scholarship program. The Commission recommends that the necessary funding be made available from the Land and Minerals Trust Fund as a continuing appropriation to the



North Dakota University System. Each semester the NDUS shall request from the state Land Department the amount needed to fund the North Dakota Scholarship program and upon receipt shall transfer the necessary funds to the appropriate college or university financial office.

# INFORMATION TECHNOLOGY AND STUDENT DATA

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## BACKGROUND

The North Dakota Information Technology Department (ITD) currently operates and supports various information systems that are important to K-12 education. In addition to the state data network (STAGEnet), which is made available to all schools for a number of purposes, the state supports the Center for Distance Education, which greatly helps to fill gaps in required course offerings, and Education Technology Services (EduTech) which provides technology support, e-mail, filtering, anti-virus software, and PowerSchool support staff.

In 2009, the Legislative Assembly appropriated \$2.38 million in general funds to ITD to implement the installation of PowerSchool software in every North Dakota school district. They also amended HB1400 to include a "technology factor" in the formula with the intent that those funds could be used by school districts to help pay for PowerSchool. Some districts that did not go forward with PowerSchool are currently experiencing a windfall from the new factor. For those school districts moving forward with PowerSchool, the cost is approximately \$24.00 per student per year, with \$12.00 per student being paid to ITD by the school district from the new technology factor, and approximately \$12.00 being paid by state general funds in ITD.

PowerSchool is the leading student information system designed specifically for K-12 schools. It has several features including state reporting, scheduling, gradebook, attendance,

meal tracking, and parental access. Parents can access their child's grades and attendance, school announcements, assignments, schedules, class registration, and teacher comments. Teachers can use PowerSchool to take attendance, enter grades, post assignments, view assessment information, and communicate with parents and students. Administrators can use PowerSchool to submit report to the Superintendent of Public Instruction and the Department of Career and Technical Education, monitor students' attendance and academic progress, and create and maintain master schedules. They can also use it to generate reports including transcripts, discipline logs, class population data, demographics, grade point averages, assessment reports, and required state and federal reports.

PowerSchool is also the key data collection system for the state's new Longitudinal Data System that will allow K-12 student information to be placed in a data warehouse and later combined with information from the ND University System and Job Service to produce a comprehensive picture of the effectiveness of state education programs and workforce development initiatives. This information will become the key to future policy decisions by the Governor and the Legislative Assembly. PowerSchool is therefore a very important foundation for supplying K-12 student data to the Longitudinal Data System.

## RECOMMENDATIONS

- 1) The Commission recommends that the .002 Technology factor be replaced with a .006 "Data Collection Factor" for each student tracked by the PowerSchool student information system currently required for every school district. School districts in the process of training and implementing PowerSchool at the beginning of the school year

would also be eligible for the factor multiplied times their base ADM. These funds would be withheld by the Superintendent of Public Instruction and when approved may only be used to purchase installation and support services from the Information Technology Department equal to their actual costs related to the implementation of PowerSchool. A general fund appropriation to ITD for this purpose would no longer be needed. The Commission also recommends that two full-time positions be authorized at ITD exclusively for the 2011 – 2013 biennium at an estimated cost of \$330,500. Any remaining amount generated by the data collection factor that is not needed to reimburse ITD should be distributed as additional state aid. The Superintendent of Public Instruction should be authorized to waive the PowerSchool requirement for reservation districts that are required by the Federal government to use a different software program.

- 2) The Commission recommends that the state Longitudinal Data System continue to receive the support needed to continue the implementation of this project. Analysis of data will in the future be necessary to answer queries about the relative success of various policy initiatives and to suggest appropriate policy changes. Trends will emerge from the data as well as comparative information that will be helpful to school districts. The Commission recommends that 1 full-time position be added to the Information Technology Department for the second year of the 2011-13 biennium at a cost of \$145,000. This individual will analyze data, answer queries from school districts and policy makers, and develop strategies to add value to the data analysis.

- 3) The Commission recommends the reform and reorganization of the North Dakota Center for Distance Education as discussed in recommendation #1 of the curriculum section on page 31.

# REGIONAL EDUCATION ASSOCIATIONS

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## BACKGROUND

The Commission believes that regional education associations continue to play an important role in providing an adequate education for every student in North Dakota. As demands increase to make available rigorous and varied courses of study for every student, REA's have become an important tool in curriculum delivery and student support, especially in rural school districts with low or declining enrollment.

There are currently eight regional education associations in North Dakota, and they serve 98 percent of all students in the state. Each REA provides to its member districts a variety of student and administrative services, as approved by its governing board, which is composed of elected school board members from each participating district. In some situations the REA is the only viable alternative to school consolidation.

2009 HB 1400 provided \$25,000 to each of eight REA's, and \$2.6 million through a formula factor of .004 for each participating student. This amount is paid directly to the REA from the State Aid budget line.

## RECOMMENDATIONS

- 1) The Commission recommends that NDCC Section 15.1 – 09.1 -02.4 be replaced with a new set of services that each REA must offer to its member school districts. The services include:

1. Professional development – Each REA shall coordinate and facilitate professional development activities for teachers and administrators employed by its member districts.
2. Technology support – Each REA shall supplement human and financial resources needed by member districts to provide adequate technology support to their users.
3. School improvement – Each REA shall assist member districts in achieving their school improvement goals as identified by the Division of School Improvement and Accreditation at DPI.
4. Data Collection and Analysis – Each REA shall assist school districts in the collection and analysis of student achievement data for the purpose of aligning instruction to student performance.
5. Curriculum enrichment – Each REA shall facilitate expansion and enrichment of the curriculum in its member districts through technological or other innovative methods.

Each REA may provide within the limits of its resources any additional educational and administrative services requested by its member districts.

- 2) The Commission recommends that the \$25,000 per year in base support for each REA be replaced with funding for 70% of the cost of a coordinator position up to a maximum cost share of \$50,000 per REA per year funded from the state aid line. Each coordinator, whether full-time or part-time, must be under contract for a 12-month period.

# EARLY CHILDHOOD EDUCATION

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## BACKGROUND

2009 HB 1400 established an Early Childhood Education Council to study the provision of educational services to children below kindergarten age. Their report is attached as Appendix A.

The 2009 legislative assembly rejected a special funding factor for Pre-K education to be delivered by school districts. Some legislators felt that the state had only recently become involved in funding full day kindergarten and should not become involved in the care and education of 4 year old children. Other legislators noticed that there was already a strong Head Start program in North Dakota serving a large number of underprivileged 4 year olds. It also became clear that the private pre-school providers and the day care providers would not be advocates for public school based pre-kindergarten education. At this point, it appears that there needs to be greater appreciation of the great value that education programs for 4 year old children can have in their overall academic and social development. If a consensus builds in the future to support Pre-K education in a more formal way, it may be possible to bring forward a proposal for Pre-K education in North Dakota public schools.

The Commission believes that with the absence of Pre-K in the state, there is a need for a program to help parents prepare their 4 year old child for kindergarten. A large number



of 4 year olds are not eligible for Head Start, and do not have the opportunity to attend private pre-school or high quality day care with an education component. The Commission found a program offered through the North Dakota State Extension Service that meets this need. The program is called "Gearing Up For Kindergarten." It provides a session of 15 weekly classes for 4 year olds and their parents that are taught by a certified kindergarten teacher during the hours after regular school. Parents learn, along with their child, how to become familiar with some of the concepts that will be introduced in kindergarten. Research has shown that the child who has had this preparation will have a much more successful kindergarten experience and even perform better in elementary school.

## RECOMMENDATIONS

- 1) The Commission recommends that support for this program be made available to as many 4 year old children as possible across the state. Specifically, the Commission recommends an increase in the general fund appropriation for Extension of \$330,000 for the 2011-13 biennium to support the administrative and organizational costs of expanding "Gearing Up For Kindergarten" across the state. The Commission also recommends state funding for  $\frac{1}{3}$  of the cost of a 15 week session, estimated at \$2000 or roughly equal to the cost of the teacher, times 125 sessions per year is a total cost of \$500,000. The remaining costs of the session, which is approximately \$4000, will be covered by fees, grants, and other funding sources.

- 2) The Commission recommends an incentive for schools to make safety compliant space available for new licensed pre-kindergarten programs. Up to \$5000 per classroom would be granted for as many as 25 classrooms and used to mitigate the costs of providing the space. The Commission recommends \$125,000 be included in the DPI Grants line for this purpose.
- 3) The Commission recommends that school districts be given the authority to spend locally raised funds for pre-kindergarten programs.
- 4) The Commission recommends that \$150,000 be added to the appropriation for Continuing Education grants for pre-school teachers for whom a baccalaureate degree will be required in the future.
- 5) The Commission recommends funding for 125 scholarship grants to individuals working in the childcare industry who wish to obtain a Child Development Associate credential. At a cost of \$1200 per person the total cost is \$150,000. The Workforce Division of the Department of Commerce should be authorized to work with an organization capable of distributing and administering these grants.

# QUALITY INSTRUCTION

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## BACKGROUND

The 2009 Legislative Assembly enacted several measures to improve the proficiency of North Dakota classroom teachers. They established a mentorship grant program called the “ND Teacher Support System” in which the Education Standards and Practice Board (ESPB) provides grants to train protégé teachers in their first year, and teachers beyond their first year as funds allow. An evaluation study done by Learning Point Associates confirms that this program is succeeding with very high ratings from participating mentors, protégés, and administrators. They also provided \$500,000 to ESPB to support teachers working for their National Board Certification.

The legislature also attempted to improve the frequency and effectiveness of professional development activities among teachers in the state. They authorized the use of four early dismissal days during the year to allow for 2 hours of teacher collaboration on 4 separate occasions. They also required every school district to develop a professional development plan for their teaching staff to be reviewed and evaluated by the state Superintendent and a Professional Development Advisory Committee. The purpose of this process is to develop a consensus throughout the state on the best practices in professional development for North Dakota. While the facts are still being gathered from school districts, it is becoming increasingly clear that collegial involvement in professional development within the school building is the most effective approach.

## RECOMMENDATIONS

- 1) The Commission recommends that funding for the ND Teacher Support System be continued and that the teachers eligible for grants include those employed by Career and Technical Education centers, special education units, Rural Education Associations, Bureau of Indian Affairs schools, and Bureau of Indian Education schools.
- 2) The Commission recommends that the DPI budget include \$122,000 to cover the operating expenses of the Professional Development Advisory Committee for the 2011-13 biennium. This committee is expected to develop a professional development model for the state.
- 3) The Commission learned that the number of new principals hired each year is considerable. It is evident that good principal leadership has great value as it relates to the success of both teachers and students. In order to accelerate the proficiency of principals in North Dakota, the Commission recommends the establishment of a Principal Mentoring Program in which each new principal will have an assigned mentor trained by the ND LEAD Center. Specifically the Commission recommends that \$461,500 be appropriated in the Other Grants line of the budget bill for the Superintendent of Public Instruction for this purpose. Each year LEAD should submit a request to the Superintendent for the Principal Mentoring Program, and upon approval the funds should be transferred to the LEAD Center. Any surplus funds should be available as a continuing appropriation to mentor principals beyond their first year.

- 4) The Commission believes that the overriding determinant in student success is having a highly effective teacher in the classroom every day. The Commission also believes that North Dakota's current system of paying teacher salaries based solely upon years of experience and education attainment is no longer adequate as the compensation piece of a successful teacher development strategy. Professional development and teacher evaluation are the other two essential elements in developing highly effective teachers, both of which need progress in North Dakota and are addressed in other sections of this report.

Education research in the USA and other countries indicates that an Alternative Teacher Compensation System should provide for teacher pay based upon multiple components including, but not limited to pay for: hard-to-staff positions; added knowledge, skills or professional development; student educational growth; and added responsibilities such as mentoring, coaching or instructional leadership.

The Commission recommends that the state aid formula include a factor of .06 for each student unit that is instructed by a teaching staff participating in an Alternative Teacher Compensation System (ATCS). The factor should be initiated with the 2012 – 2013 school year and is expected to fund 30,000 – 50,000 wsu in alternative compensation plans approved by the ATCS Review Panel. All applications for funding in the 2012-13 school year should be received no later than April 1, 2012.

ATCS funding may be for an entire district or for individual buildings within a district. All teachers associated with a particular application must be eligible for additional compensation. No teacher should suffer a reduction in pay as a result of ATCS funding.

The plan for alternative compensation must be determined by mutual consent of the school district and the exclusive representative. Compensation plans may be developed by a joint committee made up of representative stakeholders of the school district and teachers, including the authorized exclusive representative, or by any other methods as mutually agreed. The negotiations to develop an ATCS should be exempt from impasse and fact finding requirements. Failure to agree on an ATCS means that no qualifying application will be filed and no funds will be available.

Upon successful completion of a plan for Alternative Teacher Compensation, the agreement should be forwarded to ATCS Review Panel. The ATCS Review Panel should be composed of two representatives from the Department of Public Instruction appointed by the state Superintendent, two representatives appointed by the North Dakota Education Association, two representatives appointed by the North Dakota School Board Association, and two representatives appointed by the North Dakota Council of Education Leaders. The ATCS Review Panel should approve or deny applications for funding and provide a written explanation in the case of a denial. Schools may reapply after revising their application. The Legislative Assembly should appropriate \$20,000 to cover the out-of-pocket expenses of the Panel members.

The Review Panel should develop the criteria and requirements for alternative compensation funding to be included in the application for funding. The criteria must include a requirement that each of the four major components of evaluation are included to some degree in the process. These components include: hard-to-staff positions; added knowledge, skills or professional development; student educational growth; and added

responsibilities such as mentoring, coaching or instructional leadership. The criteria must also include a requirement that the application demonstrates how the evaluation system is tied directly to the resulting distribution of additional compensation. The guidelines should also include suggestions for improving the application that are not mandatory for acceptance by the ATCS Review Panel.

In addition the Legislative Assembly should appropriate \$280,000 to the ATCS Review Panel to cover the cost of program administration and to develop and distribute guidelines for the preparation of a successful application. The Panel should provide for face-to-face coaching with the local joint committee on plan development. The Panel should develop written materials that offer suggestions for a successful funding application. Specifically, the Commission recommends that \$280,000 be included in a line item for the ATCS Review Panel (in the budget bill of the Superintendent of Public Instruction) to contract for the cost of the program administration.

At the end of the first year of implementing the Alternative Teacher Compensation System, each funding recipient should provide a written review of their plan to the ATCS Review Panel. Such review, filed jointly by the district and the exclusive representative, should discuss how the program has improved the outcomes in each of the four major evaluation categories. The review should point out any changes that could make the plan more effective, and should include a request for continued funding if so desired. The ATCS Panel should then approve or deny the request for continued future funding.

The Commission recommends an appropriation of \$7.5 million for the Alternative Teacher Compensation System in the 2012-13 school year. This amount of funding should be considered dedicated to this program and not available for any other purpose.

- 5) The Commission recommends that the provisions of HB 1127 approved by the Employee Benefits Committee, regarding increased contributions to the Teachers Fund for Retirement on July 2012 be enacted by the Legislative Assembly. These increases are 2 percent by the school district and 2 percent by the school employees. The Commission also recommends the Bill's other provisions regarding adjustments to the pension plan terms.

The Commission advances this as a first step in an incremental approach toward restoring 100 percent actuarial funding to the Retirement Fund for Teachers. We believe this action in the upcoming biennium, combined with good investment management, will move the funding line in the right direction. Should additional steps be needed, the Benefits Committee will review those with an eye toward making additional adjustments in the following biennium.



## RECOMMENDED BUDGET SUMMARY AND OPTIONAL FUNDING PRIORITIES

<b>Cost to Continue Existing Formula</b>	
Cost to continue state aid formula payments in excess of 2009-10 appropriation levels per student payment base at \$3779 for both school years 2011-12 & 2012-13	\$40,248,599
Implementation of second calendar day per legislative action (\$3,680,000 x 2 years)	7,360,000
Implementation of At Risk Factor of .025 per legislative action (\$3,100,000 x 2 years)	6,200,000
Cost to continue excess cost reimbursements for agency placed students	500,000
<b>Subtotal</b>	<b>\$54,308,599</b>
<b>Formula Revisions</b>	
Revised computation of Statewide Average Imputed Taxable Valuation Per Student	\$530,000
Savings from discontinuation of distribution for ACT test	(560,000)
Revision of Isolated School formula	115,000
Savings from reduced cost of transition minimum	(6,000,000)
Reduced savings from transition maximum of 142%	500,000
Change .002 Technology factor to .006 Data Collection factor	3,000,000
<b>Subtotal</b>	<b>(\$2,415,000)</b>
<b>Increases in K-12 Funding</b>	
Increase weighting factor for Special Education ADM from .07 to .073	\$2,500,000
Fund .06 factor for every WSU in an approved plan for Alternative Teacher Compensation (30,000 – 50,000 WSU in year two only)	7,500,000
Increase the per student payment by \$100 per student each year of the 2011-13 biennium, to \$3,879 in 11-12 and \$3,979 in 12-13 (net of \$9.0 million proposed carryover from 2009-11)	32,000,000
Increase REA Base grants for 70% cost share of the cost of coordinators	400,000
<b>Subtotal</b>	<b>42,400,000</b>
<b>Total increase in state aid - All funds</b>	<b>\$94,293,599</b>
Less common schools trust fund increase	(\$15,338,000)
<b>Total increase in state aid - General fund</b>	<b>\$78,955,599</b>

<b>GRANT &amp; OTHER EDUCATION PROGRAM INCREASES</b>	
Increase transportation cost reimbursements	\$5,000,000
Increase funding for special education contracts	500,000
Increase the budget for assessments in the Department of Public Instruction to \$678,400 to pay the entire cost of ACT, including the writing section, for all 11 <sup>th</sup> grade students in North Dakota	678,400
Fund two pilot projects in the DPI grants line to improve curriculum alignment between high school and college and track scholarships	105,000
Principal Mentoring Program	461,500
Fund expenses of Professional Development Advisory Committee (DPI)	122,000
Increase Continuing Education grants for pre-school educators	150,000
Fund cost of full-time program adviser to ATCS (DPI)	280,000
Fund expenses of ATCS Review Panel (DPI)	20,000
Grants to schools providing space for Pre-K	125,000
<b>TOTAL</b>	<b>\$7,441,900</b>

<b>OTHER RECOMMENDED FUNDING PRIORITIES</b>	
<b>Information Technology Department (ITD)</b>	
Increase general fund support for the Center for Distance Education (ITD budget)	\$1,233,000
Fund one full-time position at ITD in the second year of the biennium to manage the new Longitudinal Data System	145,000
ITD general fund budget reduction relating to PowerSchool administration (funded through state aid formula for 2011-13)	(2,400,000)
<b>Total ITD</b>	<b>(\$1,022,000)</b>
<b>NDSU Extension Service</b>	
Expansion of "Gearing Up For Kindergarten" program at NDSU Extension to statewide scope	\$830,000
<b>Total NDSU Extension Service</b>	<b>\$830,000</b>
<b>Commerce Department</b>	
Scholarship grants for Child Development Associate credential (Department of Commerce to be administered by Childcare Resource & Referral)	\$150,000
<b>Total Commerce Department</b>	<b>\$150,000</b>

**TESTIMONY ON SB 2150**  
**SENATE EDUCATION COMMITTEE**  
**January 25, 2011**  
**by Dr. Wayne G. Sanstead, State Superintendent**  
**701-328-4572**  
**Department of Public Instruction**

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Chairman Freborg and members of the Senate Education Committee:

For the record, my name is Dr. Wayne G. Sanstead and I am here as a member of the Commission and as the State Superintendent of the North Dakota Department of Public Instruction (DPI). I am here to speak on SECTION 5 and also address SECTION 19 of the bill.

SECTION 5, starting on page 6 of the bill, requests \$122,000 for the biennium to reimburse committee expenses in order to meet the duties of the committee as specified in Chapter 15.1-18.2. The chapter requires the advisory committee to review the professional development needs and plans submitted by the school districts during the established review cycles, thereby continuing to assure the efficiency and effectiveness of professional development in North Dakota.

SECTION 19, starting on page 21 of the bill, addresses the per student payment rate. The department supports the Education Commission and Executive Budget recommendations to increase the per student payment rate \$100 each year of the biennium. The rate this year is \$3,779 per pupil. The rates for next biennium will move to \$3,879 in 2011-12 and \$3,979 in 2012-13.

It is important to note that over 93% of all State Aid is allocated directly to school districts through the main funding formula. Although the formula is necessarily complex and contains numerous adjustments for district size, special student needs and local ability to raise tax funds, the main driver is the per student payment rate.

The formula will distribute an additional \$94.3 million over last biennium. This includes funding for the implementation of the adequacy initiatives (at-risk, tutors, added contact days, career advisors) that began last biennium and includes additional weighting for special education and a

supplemental teacher-effectiveness compensation plan. The department supports funding for these program initiatives and the other sections included in Senate Bill 2150.

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# Testimony on SB 2150

By

**Dr. M. Douglas Johnson, Executive Director—NDCEL**

Chairman Freeborg and members of the Senate Education Committee, for the record my name is Doug Johnson and I am the executive director of the ND Council of Educational Leaders which represents North Dakota's school leaders. I am here to provide you background information on the proposed reorganization of the Center for Distance Education and the completion of the legislated transition to PowerSchool and the weighting factor associated with achieving that goal as proposed in **SB2150**.

The Commission on Education Improvement's (Commission) subcommittee on Curriculum, Assessments, Scholarships, Technology and Transition to School and Work (CASTT Committee) recognized that that the concept of an "adequate" education means a large percentage of high school seniors should be "ready for college" and/or "ready for work" upon graduation. Further, the CASTT Committee recognized accessibility to an adequate education requires quality instruction as well as the curriculum be available for all North Dakota students to ensure that they will perform well.

Providing all students in North Dakota the accessibility to quality instruction and curriculum is challenging under any circumstances and particularly so in a sparsely populated state especially with a high number of school districts, and a declining number of students. Further, the CASST Committee recognized that the new scholarship programs offered by the state will increase the demand for advanced courses in mathematics and science, additional foreign languages, as well as greater exposure to career and technical education. Meeting these challenges and demands will significantly increase the role of virtual classrooms and virtual schools in the state. As a result it was the recommendation of the CASST Committee and adopted by the Commission, that the North Dakota Center for Distance Education (NDCDE) play a significant role in ensuring that virtual classroom/school offerings are both high in quality and affordable.

In order for the NDCDE to remain viable and competitive in providing virtual classroom opportunities for North Dakota's students it will need organizational restructuring and budget

#6 SB2150

enhancements. Specifically, the NDCDE reorganization will decrease the charge of a one-semester course for North Dakota students to a cost competitive price, narrow the focus of the Center's distance education services, reduce certain staff costs, and increase the staff commitment to marketing and customer services.

In its final report the Commission recommended an increase of \$780,000 in the budget for the ND Center for Distance Education to further subsidize tuition for North Dakota students enrolling in online courses, a \$290,000 increase in salaries and benefits for the reorganized staff, and a \$318,000 increase for enhanced customer service for school districts statewide. The total increase of \$1,388,000 is offset by budget reductions of \$155,000, for a net cost of \$1,233,000. Further, the Commission recommended that all distance education curricula offered in North Dakota meet state standards and that Advanced Placement and Dual Credit course offerings be increased. Funding of this recommendation is through the ITD budget.

A second task assigned the CASTT Committee was that of having all public schools in North Dakota be using PowerSchool as the principal student information system by 2013. In 2009, the Legislative Assembly appropriated \$2.38 million in general funds to ITD to implement the installation of PowerSchool software in every North Dakota school district. They also amended HB1400 to include a "technology factor" in the formula with the intent that those funds could be used by school districts to help pay for PowerSchool. PowerSchool is also the key data collection system for the state's new Longitudinal Data System that will allow K-12 student information to be placed in a data warehouse and later combined with information from the ND University System and Job Service to produce a comprehensive picture of the effectiveness of state education programs and workforce development initiatives. This information will become the key to future policy decisions by the Governor and the Legislative Assembly. PowerSchool is therefore a very important foundation for supplying K-12 student data to the Longitudinal Data System.

In its final report the Commission recommended the .002 Technology factor be replaced with a .006 "Data Collection Factor" for each student tracked by the PowerSchool student information system currently required for every school district. This factor will generate an estimated \$3,000,000 to fund the cost of implementing and maintaining the PowerSchool system. School districts in the process of training and implementing PowerSchool at the beginning of the school year would also be eligible for the factor multiplied times their base ADM. These funds would be withheld by the

#6 SB 2150

Superintendent of Public Instruction and when approved may only be used to purchase installation and support services from the Information Technology Department equal to their actual costs related to the implementation of PowerSchool. A general fund appropriation to ITD for this purpose would no longer be needed. The Commission also recommends that two full-time positions be authorized at ITD exclusively for the 2011 – 2013 biennium at an estimated cost of \$330,500. Any remaining amount generated by the data collection factor that is not needed to reimburse ITD should be distributed as additional state aid. The Superintendent of Public Instruction should be authorized to waive the PowerSchool requirement for reservation districts that are required by the Federal government to use a different software program.

The Commission also recommended that the state Longitudinal Data System continue to receive the support needed to continue the implementation of this project. Analysis of data will in the future be necessary to answer queries about the relative success of various policy initiatives and to suggest appropriate policy changes. Trends will emerge from the data as well as comparative information that will be helpful to school districts. In addition, the Commission recommended that 1 full-time position be added to the Information Technology Department for the second year of the 2011-13 biennium at a cost of \$145,000. This individual will analyze data, answer queries from school districts and policy makers, and develop strategies to add value to the data analysis. These recommendations are in Section 1 of **SB2150** and are as follows:

**SECTION 1. Student information system -**

- School district must acquire PowerSchool through ITD and use it as its principal student information system.
- A portion (.0006/ADM) of a school district's state aid will go directly to the ITD to reimburse costs of district's school district's acquisition, implementation, or utilization of PowerSchool and any related technology support services.
- Any excess moneys must be returned to DPI for redistribution to the school district as per student payments.
- DPI may exempt school BIA school districts from having to acquire and use PowerSchool provided they demonstrate that, following BIA requirements, the district has acquired and using a student information system that is determined comparable by superintendent of public instruction (DPI).

Chairman Freeborg and members of the Senate Education Committee, this concludes my testimony.

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**Senate Education Committee  
Testimony in SUPPORT of SB 2150  
January 25, 2011  
Greg Burns, Executive Director**

Chairman Freborg, members of the Senate Education Committee, for the record my name is Greg Burns, Executive Director of the North Dakota Education Association (NDEA). On behalf of our 8,800 members I come before you today to express our strong support for SB 2150, and in particular, Sections 23 to 29 which deal with a Supplemental Teacher Effectiveness Compensation Plan (STEC-P).

Sections 23 through 29 of the bill provide for a new way of compensating teachers. This new method of compensation will provide quality assurance to policy-makers and the public through a system that:

1. Improves instructional practice
2. Improves educational outcomes
3. Attracts and retains highly effective highly effective educators
4. Creates a method of pay that is related to what teachers actually do

This new compensation plan requires that teachers and school districts look at paying teachers based upon multiple measures. It calls for moving beyond compensation grids that solely measure experience and educational attainment.

Sections 23 through 29 of SB 2150 contain the two fundamental requirements that research says are fundamental to moving to a new teacher compensation system: increased and sustainable funding, and collaboration in developing a new compensation system.

This legislation provides for increased funding of between \$150.00 per weighted student unit (wsu) and \$250.00 per wsu, depending upon how many districts and teachers reach an agreement that is approved by the review panel. The bill calls for funding to cover between 30,000 and 50,000 wsu. This represents roughly a third to half of the students in the state. The Quality Instruction Subcommittee, and ultimately the Commission as a whole agreed that all of the school districts would not reach agreement on an approved plan, but no one can be certain of

the number that will. Research indicates that the low end of funding for such endeavors is \$150.00 while the high end is \$450.00 per pupil unit. This legislation provides a common sense approach to increased funding for teacher pay.

The other indispensable funding requirement for such change is that the funding should be sustainable. The Quality Instruction Subcommittee struggled with whether or not there should be pilot programs. The subcommittee rejected this notion because funding ends for pilot programs. This legislation provides that the funding will be ongoing as long as the plan receives annual approval and as long as the parties agree to participate.

This brings us to the second necessary ingredient for success. These plans must be created with the collaboration of all of the interested stakeholders. Research shows us that where these plans are not developed collaboratively they invariably fail. This legislation provides a safe environment for stakeholders to discuss tough issues. If the participants cannot agree they are ineligible for funding. If they agree they forward the plan to the review panel for review and approval.

Sections 23 through 29 of SB 2150 contain not only a way to find new ways to compensate teachers, but these provisions will lead to system change. It will allow us to reimagine the profession of teaching in ways that will benefit students, parents and teachers. Over 120 of these plans have been developed across the nation and the number is growing. No one has come with the single, best way to change compensation or it would have been replicated everywhere by now. I have attached one plan that a school district in Wisconsin created. It is not the only way to approach this change, nor is it even the recommended way. But it demonstrates that dedicated stakeholders, holding value-based discussions as equals can accomplish great change.

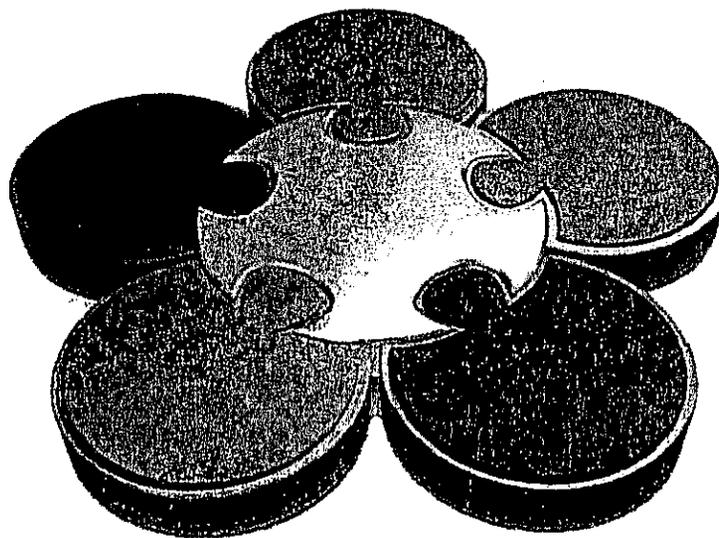
SB 2150, Sections 23 through 29, allows each school district to choose what works best for that district within the parameters set forth in this legislation. It offers all of us the best chance to change a system that needs changing.

The NDEA urges a vote of DO PASS on SB 2150.

#7 SB2150

# A-PATH

ACCOMPLISHED TEACHING PATHWAYS



Educator Compensation Institute  
Jim Carlson, President  
[carlson@edcomp.org](mailto:carlson@edcomp.org)  
(920) 980-0344

#7 SB2150

## ACCOMPLISHED TEACHING PATHWAYS, OR A-PATH

**Accomplished Teaching Pathways, or A-PATH**, seeks to achieve enhanced student outcomes through an innovative and systemic change in teacher compensation.

A-PATH is the culmination of more than a decade of work examining, bargaining, and implementing alternative teacher compensation and is the product of input and suggestions from scores of administrators, hundreds of teachers, and a Wisconsin Education Association Council committee chaired by collective bargaining specialist Mark Simons.

Designed to be initially manifested in pilot programs, A-PATH represents a dramatic departure from the traditional salary schedule, replacing the single salary schedule with career path alternatives that strive to achieve four main objectives, all structured to improve student performance:

1. To attract highly talented people into the profession of teaching.
2. To retain that talent.
3. To improve teaching skills and knowledge.
4. To add to the collective body of knowledge about effective teaching practices.

### A-PATH Parameters

A-PATH pilot programs will be locally designed and bargained under specific structural parameters. The structural parameters of each program shall include:

- a. A four stage professional ladder beginning with a Residency stage and culminating with a Master Educator stage.
- a. Evidence of Accomplished Teaching.
- a. Specified professional development expectations.
- a. Teacher leadership alternatives.
- a. Market incentives.

### Career Ladder

The **Residency** stage of A-PATH is designed for first year teachers with a duration of one year. During Residency, classroom teachers will be assigned a 50% teaching case load. The remainder of time is spent modeling, reflecting, and working with mentors and Master Educators. After one year, transition to the Initial Educator stage is achieved upon the recommendation of the building principal or evaluation team.

After Residency, teachers move into the **Initial Educator** stage. Initial Educator duration is 2-4 years and transition to **Professional Educator** is achieved through the successful completion of a portfolio that provides evidence of professional growth tied to standards, a professional development plan, evidence of collaboration, and an assessment plan designed to

improve professional knowledge and affect student learning. (Note: It is strongly recommended that Initial Educators do not teach in hard-to-serve positions.)

Teachers may remain in the Professional Educator stage for the duration of a career, assuming the successful completion of a portfolio every five years. Or, teachers may transition into the **Master Educator** stage upon completion of National Board Certification.

### Evidence of Accomplished Teaching

Under A-PATH, teachers can earn additions to their salary for demonstrating Evidence of Accomplished Teaching. Examples of such evidence include:

- a. Classroom action research.
- a. Masters Degree in content area or cognitive science.
- a. *Take One*, an evidence-centered approach to accomplished teaching offered by the National Board for Professional Teaching Standards.

### Professional Development Expectations

Professional Development Expectations, like all components of an A-PATH plan, must be locally determined through mutual agreement between the school district and teachers union. Professional development examples may include:

- a. School district academy experiences.
- a. School district sponsored professional development.
- a. Evidence of collaboration.
- a. Action research.
- a. University classes.

### Teacher Leadership Alternatives

While teacher leadership positions will vary from school district to school district based on size, mission, need, and other factors, examples of such leadership positions are likely to include:

- a. Mentors and peer coaches
- a. Content specialists
- a. Curriculum developers
- a. Research coordinators

### Market Incentives

An example of an appropriate market incentive is an annual bonus provided to a teacher who works in a hard-to-serve school.

### Pilot Programs and Assessment

It is imperative that pilot A-PATH programs precede broader implementation. Pilot programs allow for comprehensive assessments into which parts of the program are effective and which may need to be dropped or modified. At minimum, these assessment systems must measure:

1. Student growth in those competencies identified by the Partnership for 21<sup>st</sup> Century Skills. (See *resources*.)
2. Graduation rates.
3. Student and parent satisfaction.
4. Rates of teacher attraction.
5. Rates of teacher retention.
6. Participation rates in action research.
7. Participation rates in teacher leadership.
8. Participation rates in professional development.
9. School climate and culture.
10. Administrator participation in training.

### Organizational Standards

From an examination of many other attempts at alternative teacher compensation, certain organizational standards will assist with the successful implementation of an A-PATH program. Those standards include:

1. A-PATH plans must be jointly crafted by the local school district and its education association.
2. Building administrator training and support systems must be designed with clearly delineated implementation plans.
3. In the event that A-PATH funding ultimately evaporates, an exit strategy and plan must be established, ensuring an orderly transition back to pre-A-PATH implementation.

While each locally negotiated system will be consistent with the established parameters and standards, each will be unique in design. The following page illustrates an example of an A-PATH plan. The example was created for a District with a pre-A-PATH starting salary of about \$30,000 and a maximum salary of about \$60,000.

## RESOURCES

Partnership for 21<sup>st</sup> Century Skills  
[www.21stcenturyskills.org](http://www.21stcenturyskills.org)

### Core Subjects and 21<sup>st</sup> Century Themes

Core Subjects Include:

- ✦ English, reading, or language arts
- ✦ World languages
- ✦ Arts
- ✦ Mathematics
- ✦ Economics
- ✦ Science
- ✦ Geography
- ✦ History
- ✦ Government and Civics

21<sup>st</sup> Century Interdisciplinary Themes Weaved into

Core Subjects:

- ✦ Global awareness
- ✦ Financial, economic, business, and entrepreneurial literacy
- ✦ Civic literacy
- ✦ Health literacy

### Learning and Innovation Skills

- ✦ Creativity and Innovation Skills
- ✦ Critical Thinking and Problem Solving Skills
- ✦ Communication and Collaboration Skills

### Information, Media, and Technology Skills

- ✦ Information Literacy
- ✦ Media Literacy
- ✦ ICT Literacy

### Life and Career Skills

- ✦ Flexibility and Adaptability
- ✦ Initiative and Self-Direction
- ✦ Social and Cross-Cultural Skills
- ✦ Productivity and Accountability
- ✦ Leadership and Responsibility

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<b>Residency</b>
<b>Entrance Criterion</b> Teaching Certification
<b>Salary</b> \$35,000
<b>Professional Duties</b> 50% Teaching Load 50% Reflection, Modeling, Observing
<b>Duration</b> 1 Year
<b>Initial Educator</b>
<b>Entrance Criterion</b> Successful Completion of Residency
<b>Salary</b> \$50,000
<b>Professional Duties</b> Classroom Teacher, Full-Time or Part-Time
<b>Duration</b> 2-4 Years

<b>Professional Educator</b>	
<b>Entrance Criteria</b> Successful Completion of Initial Educator Requirements Minimum of Three Years Teaching Experience	
<b>Salary</b>	
<b>Entry/</b> Does Not Satisfy District Professional Development Requirements	<b>Satisfies District Professional Development Requirements</b>
\$60,000	\$65,000
<b>Professional Duties Options</b> Classroom Teacher, Full-Time or Part-Time Classroom Teacher, Part-Time, Teacher Leader Part-Time	
<b>Evidence of Accomplished Teaching</b> \$3,000 Annually - Masters Degree in Content Area or Cognitive Science \$2,000 Annually - Take One (National Board for Professional Teaching Standards) \$2,000 Bonus - Action Research	
<b>Market Incentives</b> 5,000 Annually - Hard-to-Serve Positions	

<b>Master Educator</b>	
<b>Entrance Criteria</b> National Board Certification Minimum of Five Years Teaching Experience	
<b>Salary</b>	
<b>Entry/</b> Does Not Satisfy District Professional Development Requirements	<b>Satisfies District Professional Development Requirements</b>
\$75,000	\$80,000
<b>Professional Duties</b> Classroom Teacher, Full-Time or Part-Time Classroom Teacher, Part-Time, Teacher Leader Part Time Five Days of Additional Contract Time	
<b>Evidence of Accomplished Teaching</b> \$3,000 Annually - Masters Degree in Content Area or Cognitive Science \$2,000 Annually - Take One (National Board for Professional Teaching Standards) \$2,000 Bonus - Action Research	
<b>Extended Contract Options</b> \$7,500 Annually - Teacher Leader, Eleven Month Contract \$15,000 Annually - Teacher Leader, Twelve Month Contract	
<b>Market Incentives</b> \$5,000 Annually - Hard-to-Serve Positions	

#7 SB2150

**SB 2150**  
 Senators Flakoll, Holmberg, O'Connell  
 Representatives R. Kelsch, Hawken, Delmore

Tuesday, January 25, 2011  
 Missouri Room

**Introduction**

- Rick Buresh
- Superintendent - Fargo Public Schools
- Member - ND Commission on Education Improvement

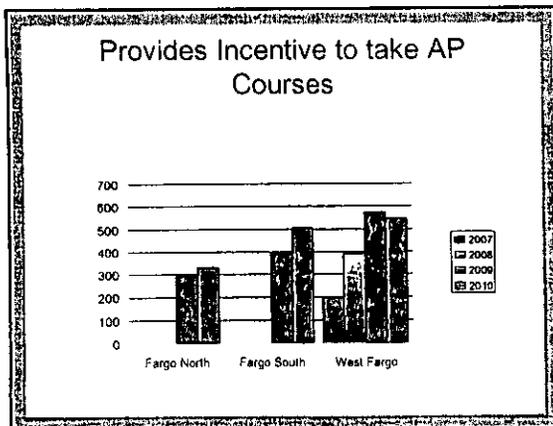
**Speaking in support of SB 2150**

ND Scholarship

- ✓ Provides incentive for K-12 students to achieve
  - Do well on grades, ACT, course of study
- ✓ Encourages students to go to college in ND
- ✓ Good for ND Higher education
- ✓ Increases likelihood that our graduates will stay in ND - Keeps young talent in ND

**SB 2150 encourages rigor in high school**

- minimum course of study to be eligible
- requires at least one **Advanced Placement** or dual credit course
- must graduate with a minimum GPA of 3.0 on a 4.0 scale



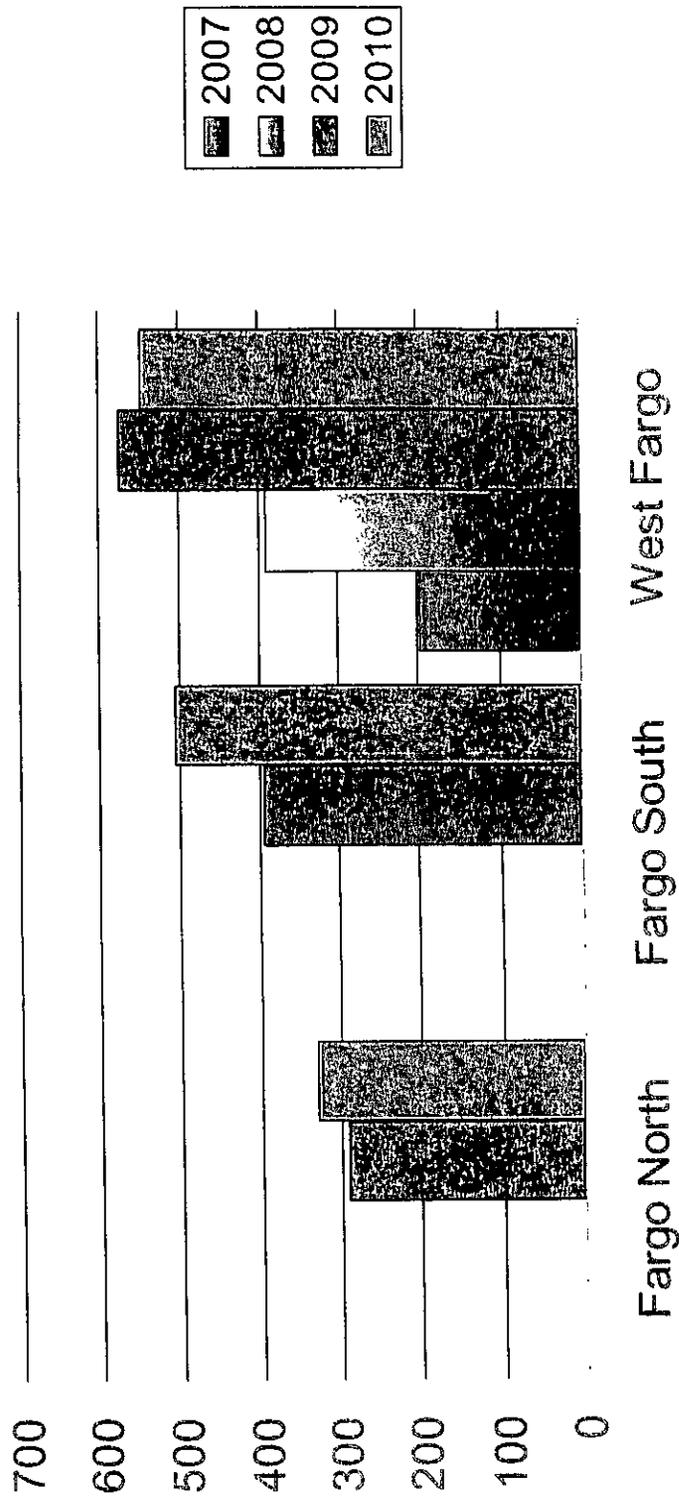
**Summary**

- ✓ ND Scholarship is good
- ✓ Provides incentive to K-12 students to achieve
- ✓ Keeps students and graduates in ND
- ✓ Keeps education dollars in ND
- ✓ Supports our kids and ND institutions of higher education
- ✓ Higher AP enrollment may be related to pursuit of ND Scholarship which requires one AP or dual credit course

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# Provides Incentive to take AP Courses



#8 SB 2150



Education Standards and Practices Board  
2718 Gateway Avenue, Suite 303  
Bismarck, ND 58503-0585  
(701) 328-9641 Fax (701) 328-9647  
<http://www.nd.gov/espb>

HB 2150 Testimony

Teacher Support System

Good morning Mister Chairman and Members of the Senate Education Committee. For the record, I am Janet Welk, Executive Director of the Education Standards and Practices Board and I am happy to testify in support of SB 2150.

Last biennium, the Education Standards and Practices Board received dollars to administer a teacher support system. This support system consists of a program for mentoring of first year teachers and coaching for those teachers that are not first year teachers.

The Teacher Support System Coordinator was hired in August 2009. She worked with representatives from the Title II Teacher Quality Grant mentoring program to revise and edit the existing teacher mentor training program. Mentors were trained and hired spring semester 2010. Attached you will find the "*Mentor Training Manual for 2010-11*". As you can see from the manual, a lot of time and research has gone into this program. The majority of the program is based on Charlotte Danielson's "*A Framework for Practice*." Since that time, there have been approximately 360 mentors trained in North Dakota.

ESPB contracted with Learning Point Associates to provide for a third-

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party evaluation. I received their interim report in December 2010 to be able to share with you their findings. The evaluation consisted of surveys and an interview of the coordinator. Findings from the mentoring evaluation tell us we are on the right track but still have a lot of work to do. Some highlights from the evaluation include:

- At least 97 percent of mentors agreed or strongly agreed that the training they received was high quality and prepared them for their role.
- Roughly 90 percent of protégés either agreed or strongly agreed that their mentor was appropriately matched.
- We need to do a better job of having first year teachers (nearly half of the first-year teacher surveyed [46 percent] reported that they had not been observed) and also the meeting before and after the observations also needs to occur.
- Some, specifically 29 percent of mentors and 20 percent of first-year teachers disagreed or strongly disagreed that there is an adequate amount of time every week devoted to improving beginning teachers' instruction.
- Page 11, Table 6, provides the breakdown of how the protégé indicated the program has helped their instructional skill. I believe anytime you have 10 percent and above in the "To a Minimal Extent, or Not at All" shows us where we need to improve. Interestingly, the designing of assessment, demonstration of

knowledge of content and pedagogy, using assessment in instruction are all areas that research is telling us we as educators need to improve.

- Page 13, Table 7 is the open-ended item responses. We need to become better with communications regarding the program. I'm not sure if we will reduce the program requirements. National research tells us we need to match by content and grade level our mentors and protégés. This survey from ND is telling us the same information. Also the mentors and protégés indicated they wanted a regional training seminar.
- We also asked why districts did not participate in the program.

Figure 3, page 15 are those responses.

The coaching component of the ESPB Teacher Support System was a bit more difficult to develop. As you recall, the student performance strategist was also implemented that year and the federal Title I dollars were also able to pay for coaches, plus there were coaches provided by the federal Special Education dollars. After holding meetings with all of the agencies and groups involved in coaching, it was determined that we had plenty of dollars for the actual coaches salaries but needed training for the coaches. So it was decided that ESPB would provide the training for the coaches.

JoEllen Killion, vice president of the Learning Forward, formerly the National Staff Development Council, had been in the State working with the Education Commission and sharing her research on coaching. She is highly

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regarded and came well respected in the field of coaching. ESPB contracted with the National Staff Development Council, now Learning Forward, to provide the coaches training. I'm attaching the set of three booklets provided for the six days of training. Coaches training is provided both in Bismarck and in Fargo. At this time, we have 76 coaches in the North Dakota Academy and have supported an additional 12 to attend the Fargo Public Schools academy and also provided dollars for 12 coaches to complete their training that was started through UND. We will be offering an additional 40 slots this spring.

Again, Learning Point Associates provided an interim evaluation of the program. Topics that participants found most relevant were:

- Understanding the roles and responsibilities of an instructional coach.
- Developing skills to manage change and handle resistance.
- Developing instructional coaches.

Topics that participants found most useful were:

- Building the individual capabilities of instructional coaches to work comfortably in a variety of roles and with a variety of teachers.
- Understanding the roles and responsibilities of an instructional coach.
- Developing skills to work collaboratively with other school resource personnel.

Overall, the majority of participants found three of the four sessions very relevant. Topics that participants found most relevant and useful were:

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- Developing questioning skills that promote deep thinking and reflection.
- Practicing and refining communication and relationship skills to influence school cultures and building trusting and productive relationships with their teachers.

Suggestions for improvement included training principals about coaches roles as well as on their role in the program; requiring all coaches to participate in the training; providing more opportunities for sharing between instructional coaches as well as more time working or problem solving with individuals at their tables; using larger meeting space; and providing opportunities to practice norm setting and facilitating meetings.

Thank you for the opportunity to testify on SB 2150. I would be happy to answer any questions at this time.

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Available upon

request

2010-11

# MENTOR TRAINING MANUAL



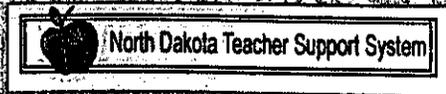
## MENTOR

NAME \_\_\_\_\_

SCHOOL \_\_\_\_\_

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EDUCATION STANDARDS AND PRACTICES BOARD



EDUCATION  
STANDARDS  
and PRACTICES BOARD

**North Dakota  
Teacher Support System  
Mentoring Program:  
Interim Brief**

**December 2010**

**Karen Drill  
Melissa Brown-Sims**



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## Introduction

In 2009, the 61st North Dakota Legislative Assembly instituted the Teacher Support System Mentoring Program (TSS Mentoring Program) and funded in a \$2.3 million appropriation through House Bill 1400 ([www.legis.nd.gov/assembly/61-2009/bill-text/JARF1000.pdf](http://www.legis.nd.gov/assembly/61-2009/bill-text/JARF1000.pdf)). The aim of House Bill 1400 is to raise student achievement and teacher effectiveness through professional development and partnerships with local school districts, regional education agencies, institutions of higher education (IHEs), and the Education Standards and Practices Board (ESPB). This statewide program is being implemented by the ESPB between July 1, 2009, and June 30, 2011. The program is designed to support first-year teachers by providing them with professional development workshops and trained mentors.

The TSS Mentoring Program is organized around twelve projects throughout the state, which includes five districts and seven regional education agencies, each of which is overseen by its own project coordinator. Mentors are chosen by building administrators and then trained through the TSS Mentoring Program. Although their participation in the program is voluntary, mentors receive \$800 per semester for their participation and optional continuing education credits for their training. For first-year teachers, participation is voluntary and unpaid.

The TSS Mentoring Program includes a two-day training session for mentors, an online training session for building administrators, and half-day new teacher and mentor seminars. Training sessions are provided each semester at regional locations across the state. During the academic year, mentors and protégés are expected to meet 18 times per semester for support, to conduct classroom observations, and to provide instructional feedback.

In addition, a coaches academy was instituted in the 2010–11 academic year. The Coaches Academy trains instructional coaches, master teachers, and individuals within school districts in support roles or directly with classroom teachers to improve their instructional skills.

The program includes an option for first-year teachers to earn continuing education credits, which has a fee of \$100. Teachers participating in this component must submit five reflection papers and complete 12 assignments during the course of the year in addition to completing the program requirements. In 2009–10, 75 first-year teachers participated in the program's continuing education component.

## Overview of the Evaluation

Learning Point Associates, a nonprofit education organization affiliated with the American Institutes for Research, was contracted in December 2009 to conduct both a formative and a summative evaluation of the TSS Mentoring Program. The formative evaluation follows the TSS Mentoring Program's implementation over time, looking at participants' perspectives on professional development, mentor support, and changes in first-year teachers' instructional skills.

This interim brief is the second of two formative reports to be delivered to ESPB and is guided by the following evaluation questions:<sup>1</sup>

1. To what extent did the professional development that mentors and administrators received affect their work with first-year teachers?
2. To what extent do mentors provide strong support and guidance to first-year teachers?
3. Did support from the TSS Mentoring Program mentors improve first-year teachers' instructional skills?
4. What factors may be preventing districts and/or schools from participating in the TSS Mentoring Program?

The brief begins with an overview of the evaluation methods and description of data-collection activities used to assess TSS Mentoring Program activities spanning July to December 2010. Next, the report summarizes findings on the four research questions. It concludes with suggestions and recommendations for program improvement, a summary of findings, and a discussion about the next steps in the evaluation process.

---

<sup>1</sup> Five evaluation questions guide the complete evaluation of the TSS Mentoring Program. This interim brief addresses only the first four. The last evaluation question, which pertains to teacher retention, will be addressed in the final, summative evaluation, to be delivered on June 30, 2011.

## Methods

In fall 2010, Learning Point Associates administered a survey about various aspects of the TSS Mentoring Program to first-year teachers ( $N = 101$ ) and mentors ( $N = 118$ ). In addition, school administrators received a separate needs-assessment survey focusing on the factors that may increase their school or district's participation in the TSS Mentoring Program. Learning Point Associates also conducted an interview with the TSS Mentoring Program state coordinator to clarify any the program activities and components that changed in fall 2010. An overview of these data-collection activities as well as the characteristics of the survey respondents follows.

### Surveys

In order to gauge participants' perspectives, Learning Point Associates surveyed school mentors and a new cohort of first-year teachers who participated in the TSS Mentoring Program during the 2010–11 academic year. Moreover, all administrators in the state received the needs-assessment survey. The online surveys were administered between October 18 and October 29, 2010. Mentors and first-year teachers were asked about the following components of the TSS Mentoring Program:

- Mentor training and professional development
- Program implementation
- Instructional skills

### Mentor and First-Year Teacher Survey

Mentors and first-year teachers were asked similar questions about the preparation they received for their roles in the program. They were also asked questions based on Charlotte Danielson's *Components of Professional Practice* that elaborated four domains of teaching: planning and preparation, creating the classroom environment, instructional techniques, and professional activities. Likewise, mentors were asked about the degree to which they addressed the Danielson's components with first-year teachers; first-year teachers were asked about the extent to which their skills improved in each domain.

### Administrator Survey

Administrators were asked a series of questions about whether or how they had heard about the TSS Mentoring Program and what might have prevented their school from participating. They were also asked to provide suggestions about how to make the program more appealing.

Table 1 provides the survey response rates by role.

**Table 1. Survey Response Rates**

Role	Number Invited	Number Completed	Response Rate
Administrators	625	233	37%
Mentors	118	104	88%
First-year teachers	101	87	86%

### **Interview**

One telephone interview was conducted with the TSS Mentoring Program state coordinator in October 2010. The coordinator answered questions to clarify major components of the TSS Mentoring Program such as the roles of mentors, administrators, protégés, and coaches; mentoring and training activities; strengths and weaknesses of the program; and plans for future changes to the program. Data collected from the interview provided additional descriptive information about the program and its contextual features. (See Appendix A for a copy of the interview protocol).

### **Participant Demographics**

The following section briefly describes the respondent demographics of the teachers, mentors, and administrators who completed their respective surveys.

Mentors and first-year teachers were asked to identify which grade levels they taught. First-year teachers and mentors in the program were almost evenly distributed across grade levels. Table 2 shows the distribution.

Mentors and protégés who responded to the survey also teach similar subject, as Table 3 illustrates. Approximately 60 percent of program participants teach reading/language arts. More than half of first-year teachers teach mathematics (56 percent), and approximately 40 to 50 percent teach social studies (39 percent) and science (47 percent). Less than 3 percent of program participants stated they teach special education; none of them reported teaching a foreign language course.

**Table 2. First-Year Teachers and Mentors by Grade Level**

What grade(s) do you teach? <i>Select all that apply.</i>	First-Year Teacher (N = 89)	Mentors (N = 104)
Prekindergarten	2.2%	2.9%
Kindergarten	22.5%	21.2%
1st grade	20.2%	20.2%
2nd grade	20.2%	21.2%
3rd grade	18.0%	21.2%
4th grade	22.5%	21.2%
5th grade	23.6%	15.4%
6th grade	16.9%	13.5%
7th grade	21.3%	21.2%
8th grade	22.5%	24.0%
9th grade	27.0%	23.1%
10th grade	31.5%	26.9%
11th grade	30.3%	26.9%
12th grade	24.7%	26.0%

\*Totals do not equal 100 percent because respondents had the option of selecting "all that apply."

**Table 3. First-Year Teachers and Mentors by Subject Area**

What subjects do you teach? <i>Select all that apply.</i>	First-Year Teacher (N = 89)	Mentors (N = 104)
Reading/language arts	59.6%	63.5%
Foreign language	0.0%	1.9%
Mathematics	56.2%	53.8%
Science	47.2%	45.2%
Social studies	39.3%	46.2%
Special education	2.2%	2.9%

\*Totals do not equal 100 percent because respondents had the option of selecting "all that apply."

Half the mentors have 17 or more years experience in the classroom, and some mentors (15 percent) have 6 years or less of teaching experience. Slightly less than half the mentors (40 percent) and half of first-year teachers (54 percent) also are participating in a district-sponsored mentoring and induction program.

Table 4 presents the number and type of administrator who responded to the administrator survey. The majority (69 percent) of administrators who completed the survey identified themselves as school principals. Nearly a third were superintendents.

**Table 4. Administrators**

Role	Frequency	Percentage
School principal	161	69.1%
Superintendent	62	26.6%
Other*	10	4.3%
<b>Total</b>	<b>233</b>	<b>100.0%</b>

\*Other responses included assistant principal, curriculum directors, and teachers

## Findings

This section of this report presents findings from the evaluation of the TSS Mentoring Program and focuses on program activities from August through October 2010. Data are drawn from the fall 2010 teacher, mentor, and administrator surveys as well as the interview with the TSS Mentoring Program state coordinator. The section is organized to align with research questions 1–4, first focusing on professional development provided to mentors and administrators to support their work through the program, then on program implementation, and finally on perceptions of improvement in instructional skills of first-year teachers. Key findings are highlighted in this section. Complete frequencies from all three surveys are in Appendix B.

### **Evaluation Question One: To what extent did the professional development that mentors and administrators received affect their work with first-year teachers?**

Mentors were asked how the professional development they received through the TSS Mentoring Program influenced their work with first-year teachers.

#### **Mentor Training and Professional Development**

As part of their professional development, mentors and first-year teachers were required to attend a training seminar. Five seminars were held throughout the state in September 2010. All mentors and protégés were surveyed about whether the seminar prepared them for the program. Mentors were also asked about the degree to which they gained new skills as a result of their participation in the training. The findings from the survey follow.

**Most mentors indicated their participation in the seminar prepared them for their role.** Mentors, by and large, expressed satisfaction with the amount of training they received from the program. As Table 5 shows, at least 97 percent of mentors *agreed* or *strongly agreed* that the training they received was of high quality and prepared them for their role.

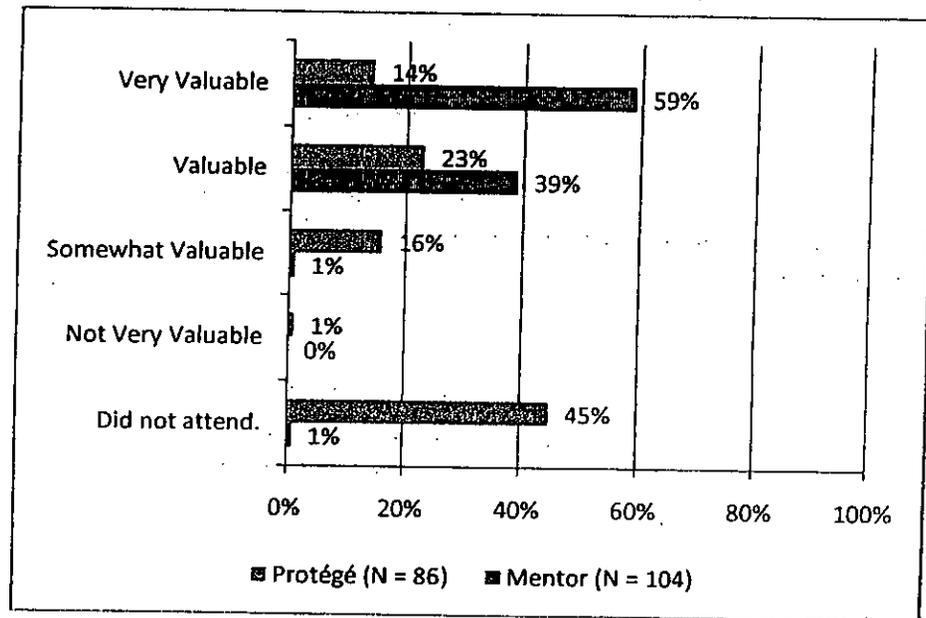


**Table 5. Mentors' Level of Preparation for Their Role**

Rate the extent to which you agree or disagree about the level of preparation you received from the TSS Mentoring Program	Strongly Disagree	Disagree	Agree	Strongly Agree
The mentor training provided by the North Dakota Teacher Support System Mentoring Program (TSS Mentoring Program) prepared me to work effectively with my protégé. (N = 99)	0.0%	2.0%	51.5%	46.5%
I am a better mentor because of my participation in the TSS Mentoring Program. (N = 99)	0.0%	0.0%	47.5%	52.5%
I have received high-quality mentor training in 2009–10 from the TSS Mentoring Program. (N = 99)	0.0%	0.0%	48.5%	51.5%
I have received sufficient training from the TSS Mentoring Program that enables me to support the developing practice of new teachers. (N = 99)	0.0%	2.0%	58.6%	39.4%
I am part of a professional community that facilitates my mentoring skills. (N = 98)	0.0%	6.1%	58.2%	35.7%
From TSS professional development, I have learned how to identify the elements of effective teaching. (N = 99)	0.0%	0.0%	56.6%	43.4%
From ongoing TSS professional development, I have learned how to communicate the elements of effective teaching to my protégés. (N = 97)	0.0%	3.1%	64.9%	32.0%
The mentor training provided by the TSS Mentoring Program enhanced my listening skills (e.g., being nonjudgmental, accepting, paraphrasing, summarizing, clarifying). (N = 99)	0.0%	0.0%	47.5%	52.5%

Overall, the majority of mentors found the orientation seminar very valuable; a much smaller percentage of first-year teachers felt the same. As Figure 1 shows, 59 percent of mentors and 14 percent of first-year teachers rated the orientation seminar *very valuable*.

**Figure 1. Value of the Orientation Seminar by Role**



**Evaluation Question Two: To what extent do mentors provide strong support and guidance to first-year teachers?**

First-year teachers and mentors were asked a series of questions about program implementation; the quality of available resources provided through the TSS Mentoring Program and through their schools; and school-level support for mentoring activities.

**Implementation**

Mentors and protégés were asked questions about the TSS Mentoring Program implementation. For example, participants were asked about how well mentors and first-year teachers were matched and about program components such as meetings and observations.

**The majority of mentors and protégés are well matched by grade and subject area.** Roughly 90 percent of protégés either *agreed* or *strongly agreed* that their mentor was appropriately matched with them by subject area and grade level. Nearly all mentors either *agreed* (39 percent) or *strongly agreed* (54 percent) that they were “a good match for my protégé.”

**Mentors and protégés regularly communicate face-to-face.** The majority of mentors (91 percent) and protégés (85 percent) indicated that they meet face-to-face at least once a week. Approximately 40 percent of the mentors (46 percent) and protégés (38 percent) meet face-to-face daily. Other forms of communication, such as e-mail and telephone conferences, occur much less frequently than face-to-face contact. For instance, 60 percent of protégés and 50 percent of mentors indicated that they *never* took part in a telephone conference with each other at the time of the survey.

sure;  
Needs  
improvement

Through October 2010, only some first-year teachers had been observed at least once. Nearly half the first-year teachers surveyed (46 percent) reported that they had not been observed. The other half had been observed at least once (47 percent).

About half of the mentors and protégés meet before and after observations. Slightly more than half the protégés (53 percent) indicated that they met with their mentor both before and after conducting an observation. In addition, 39 percent of first-year teachers stated that their mentor used a structured observation protocol and about one-third were *not sure*. Nearly two-thirds (57 percent) of mentors indicated that they offered comments, suggestions, and techniques for improvement after conducting an observation.

### Quality of Resources

All participants were asked about the quality of program resources such as mentor quality, release time for meetings, compensation, and availability of other resources and materials provided both through their school and through the TSS Mentoring Program.

As part of the program, mentors and protégés are required to meet 18 times <sup>hours</sup> between September 2010 and May 2011 for observations or other meetings. The TSS Mentoring Program requires that schools with participating mentors or teachers create time for such meetings, including at least one day each semester that is set aside for classroom observations. The program also requires that release time be provided for mentors and first-year teachers for training activities.

Results from both the mentor and protégé surveys indicate that, overall, mentors and protégés have been provided with sufficient time to meet regularly and have resources to support their work.

Is there  
enough  
time?

The majority of program participants report having enough time allotted for program activities. Findings from the survey indicate that most of the mentors (71 percent) and protégés (81 percent) are satisfied with the amount of time provided. A small subset of participants, however, felt that mentors and protégés need more time. Specifically, 29 percent of mentors and 20 percent of first-year teachers *disagreed* or *strongly disagreed* that there is an adequate amount of time every week devoted to improving beginning teachers' instruction.

The TSS Mentoring Program has provided mentors with enough resources, including compensation, to support their work. Nearly all mentors (91 percent) *agreed* or *strongly agreed* that they received an adequate amount of resources such as books and checklists from the TSS Mentoring Program to help them support the instructional practices of beginning teachers. As to compensation, 95 percent of mentors either *strongly agreed* or *agreed* that they were adequately compensated for their work.

### School-Level Support for Mentoring Activities

For the TSS Mentoring Program to be successful and effective, mentors and protégés must have support from the administration and be able to collaborate with other teachers and program

participants. Survey findings indicate that mentors may need more opportunities for collaboration and that better school-level support for the mentoring program may be necessary.

**TSS mentors may not be collaborating with other mentors in the program.** Approximately 53 percent of the mentors *disagreed* or *strongly disagreed* that they “collaborate with other TSS mentors on topics that benefit protégés.”

**The majority of participating schools have a culture that supports mentoring.** Nearly all mentors (91 percent) and protégés (91 percent) *agreed* or *strongly agreed* that their school has a positive culture that supports new teachers,

### **Evaluation Question Three: Did support from TSS mentors improve first-year teachers’ instructional skills?**

To ascertain whether mentors in the program improved their protégés’ instructional skills, participants were asked to rate the extent to which their working relationship and mentoring activities improved those skills. Findings for evaluation question three follow.

Mentors and protégés were expected to focus on a number of skills that are part of Charlotte Danielson’s *Components of Professional Practice*. Danielson has identified four domains of emphasis: planning and preparation, the classroom environment, instruction, and professional responsibilities. Mentors were surveyed on the extent to which they emphasized these four components with their protégés. First-year teachers were asked about the extent to which their skills had improved in each of these domains. Overall, the skills that mentors said they addressed with their protégés aligned with the areas in which protégés indicated their skills developed. As Table 6 shows, protégés indicated the greatest skill development in the following areas:

- Demonstrating knowledge of students (38 percent)
- Demonstrating knowledge of resources (37 percent)
- Showing professionalism (36 percent)
- Growing and developing professionally (35 percent)

Although most of the items in every domain were addressed, protégés generally reported *minimal* or *no* skill development in three areas:

- Organizing physical space (39 percent)
- Using questioning and discussion techniques (36 percent)
- Participating in a professional community (34 percent)

**Table 6. First-Year Teachers' Instructional Skill Development**

21. Rate the extent to which working with your JSS mentor has improved your skills in	Item	Not at All	To Minimal Extent	To Moderate Extent	To Great Extent
Planning and preparation (N = 87)	Demonstrating knowledge of students	2.3%	18.4%	41.4%	37.9%
	Demonstrating knowledge of resources	3.4%	8.0%	51.7%	36.8%
	Designing coherent instruction	8.0%	20.7%	43.7%	27.6%
	Selecting instructional outcomes	6.9%	17.2%	49.4%	26.4%
	Designing student assessments	9.2%	23.0%	41.4%	26.4%
	Demonstrating knowledge of content and pedagogy	5.7%	24.1%	46.0%	24.1%
Creating the classroom environment	Establishing a culture for learning (N = 86)	8.0%	14.9%	42.5%	34.5%
	Managing classroom procedures (N = 86)	4.7%	16.3%	46.5%	32.6%
	Creating an environment of respect and rapport (N = 87)	5.7%	17.2%	44.8%	32.2%
	Managing student behavior (N = 87)	2.3%	17.2%	49.4%	31.0%
	Organizing physical space (N = 87)	12.6%	26.4%	43.7%	17.2%
Instructional techniques	Engaging students in learning (N = 86)	9.3%	20.9%	37.2%	32.6%
	Communicating with students (N = 86)	4.7%	22.1%	44.2%	29.1%
	Demonstrating flexibility and responsiveness (N = 85)	8.2%	16.5%	47.1%	28.2%
	Using assessment in instruction (N = 86)	9.3%	24.4%	40.7%	25.6%
	Using questioning and discussion techniques (N = 86)	11.6%	24.4%	41.9%	22.1%
Professional activities	Showing professionalism (integrity, advocacy) (N = 86)	5.8%	14.0%	44.2%	36.0%
	Growing and developing professionally (N = 85)	3.5%	23.5%	37.6%	35.3%
	Participating in a professional community (N = 85)	5.9%	28.2%	36.5%	29.4%
	Maintaining accurate records (N = 86)	8.1%	14.0%	48.8%	29.1%
	Reflecting on teaching (N = 86)	4.7%	23.3%	46.5%	25.6%
	Communicating with families (N = 86)	8.1%	25.6%	43.0%	23.3%

## Mentor and Protégé Suggestions and Recommendations for Program Improvement

Mentors and first-year teachers in TSS Mentoring Program were given open-ended survey items asking for suggestions on how the program could be improved, presented in Table 7.

**Table 7. Open-Ended Survey Item Response Rates**

Item	Mentors (N = 104)	Protégés (N = 87)
32. Please provide any additional comments on how the TSS Mentor Seminar can be improved. Please describe any additional assistance you would like to have received.	n = 22	n = 11
35. Please provide any additional comments on how the TSS Mentoring Program can be improved.	n = 6	n = 11
28. Please provide any additional comments on how the TSS First-Year Teacher Seminar can be improved.		n = 25

The feedback from both groups follows and is ordered from most to least frequent commentary.

**Increase communication about requirements.** Mentors and protégés indicated that they would like more communication from the TSS Mentoring Program about the program and its requirements. Some protégés specifically indicated that they needed more information about the time and location of the First-Year Teacher Seminar. Approximately 45 percent of first-year teachers surveyed did not attend the first-year teacher seminar, which may be related to the open-ended feedback. Six first-year teachers indicated that they did not hear about the seminar. For example, one respondent wrote, "I did not receive any information on when and where the First-Year Teacher Seminar took place." Another wrote, "What was the First-Year Teacher Seminar?"

**Reduce the number of program requirements.** Several respondents noted the program requirements are very demanding on top of their already busy schedules. One respondent wrote, "Some of the paperwork is a pain." Another stated, "I would much rather work on lessons over doing paperwork and filling out forms."

**Ensure better mentor-to-protégé matches.** Several first-year teachers stated they wanted a mentor who matched on their specialized area, such as music or counseling. Others indicated that mentors need to be willing and interested in participating in the program. As one participant noted, "[My mentor] appears not to be overly happy about being a mentor."

**Bring mentors and protégés together at the regional training seminar.** A recommendation cited by two mentors was to bring together both the mentor and protégé at the first meeting of the seminar in order to provide an overview of the program, answer any questions, and ensure that both parties are on the same page. As one mentor noted, "After going back to school, I lost time in trying to explain and arrange all of [the program requirements] that could have been better used to actively help my protégé."

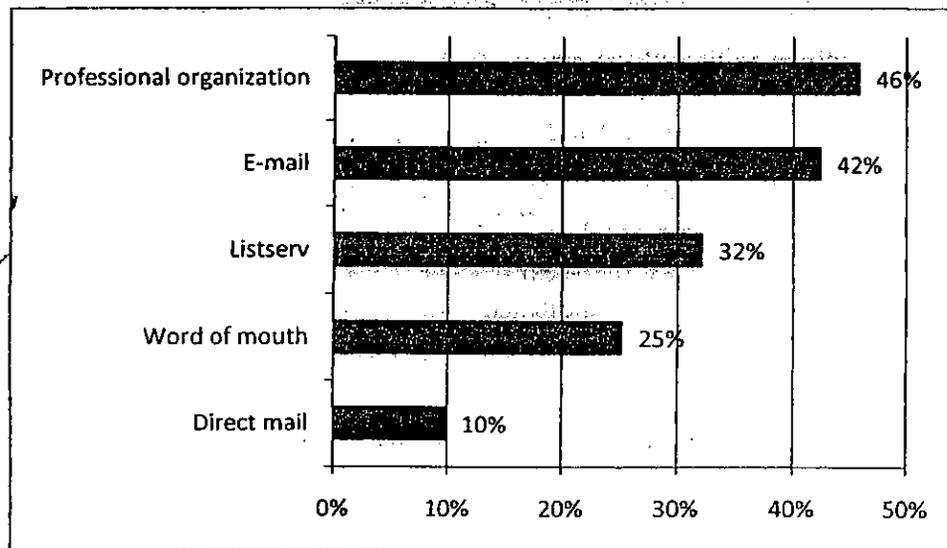
## Evaluation Question Four: What factors may be preventing districts and/or schools from participating in the TSS Mentoring Program?

Administrators were surveyed in fall 2010 about their awareness of the TSS Mentoring Program, and for those who were not participating, what may have kept them from joining the program. ESPB was particularly interested in why more schools and districts were not participating in the program. Of the 233 administrators who responded to the survey, 91 percent had heard of the TSS Mentoring Program. Of those who responded, 45 percent did not have teachers participating in the program ( $N = 106$ ).

### Source of Information About the TSS Mentoring Program

When asked how they heard about the TSS Mentoring Program, the most frequently cited source was a professional organization (46 percent). Figure 2 illustrates the other ways in which administrators reported hearing about the program.

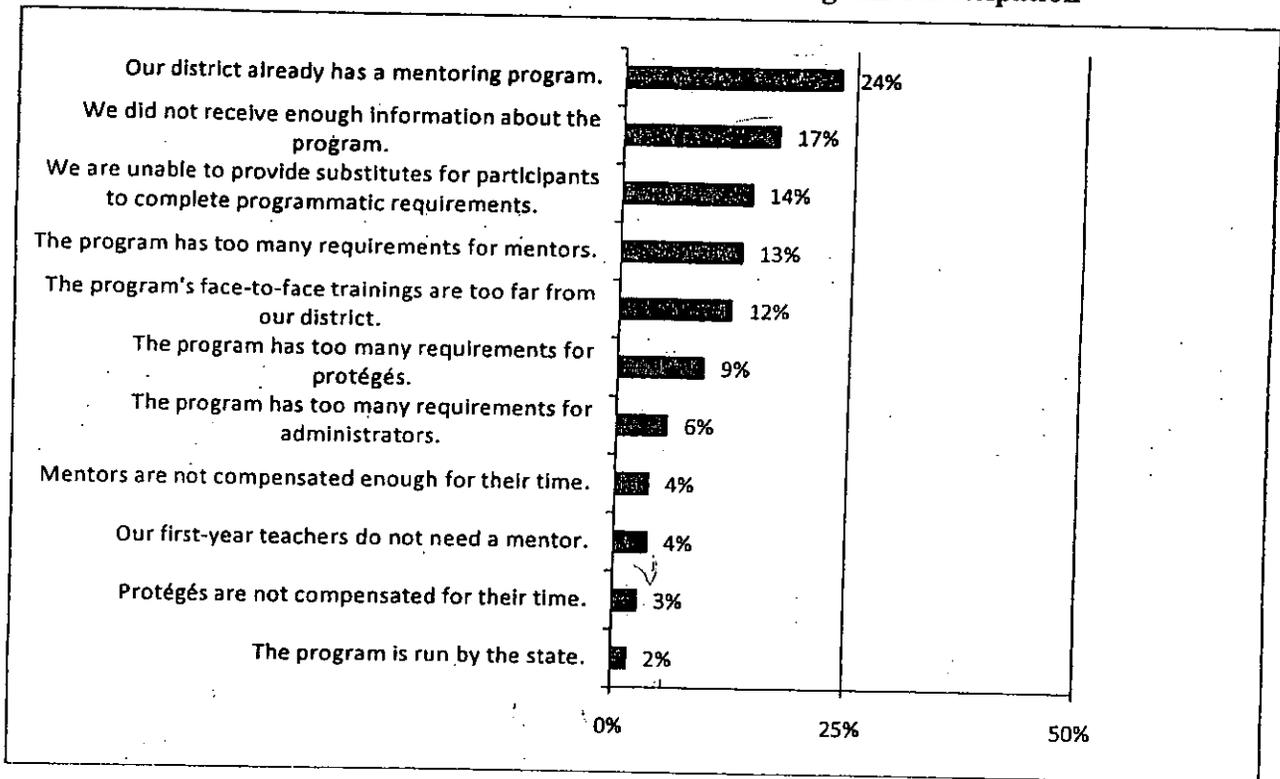
Figure 2. Communication of the Program:  $N = 233$



### Reasons for Nonparticipation

Administrators who did not participate in the program were asked to cite their reasons. Some administrators indicated that their district already had a mentoring program (24 percent). Others reported that they did not receive enough information about the program (17 percent). Figure 3 presents the reasons that administrators chose not to participate this year. Those who selected "other" indicated that they did not have first-year teachers ( $n = 37$ ), the time commitment was too great ( $n = 5$ ), or they were at a private school ( $n = 5$ ).

**Figure 3. Deterrents to Administrators' Program Participation**



### Meeting First-Year Teachers' Needs

When asked about their first-year teachers' needs, administrators emphasized the following:

- Classroom management ( $n = 20$ )
- Awareness of policies and procedures ( $n = 15$ )
- Time management ( $n = 6$ )
- General support from a "go-to" person ( $n = 6$ )
- Curriculum ( $n = 4$ )

In addition, administrators were asked what would make participation in the TSS Mentoring Program more appealing. They provided the following responses:

- Fewer program requirements ( $n = 10$ )
- Clearer communication about the program ( $n = 7$ )
- Expanding the opportunity to other new teachers, not just first-year teachers ( $n = 3$ )
- Provide substitute teachers ( $n = 3$ )



## Summary of Findings

Since its inception in 2009, the TSS Mentoring Program has made quick strides in implementing the program statewide. A review of the fall 2010 survey responses from mentors and first-year teachers reveals that, overall, the program and the regional seminars were well received and began to improve first-year teachers' knowledge of students and resources and their professionalism. Moreover, the program tends to match protégés and mentors by grade or subject area well and provides participants with numerous resources to support their work.

Despite these accomplishments, participants noted the need for improvement in the following areas: increasing communication from the program, reducing the program requirements, ensuring the teachers in specialized areas are well matched with a mentor, and bringing mentors and protégés together at the regional training seminar.

### Next Steps in the Evaluation Process

Learning Point Associates will pursue several activities in the coming months, the results of which will be reported in the final report. First, a second online survey will be sent to mentors and first-year teachers in the spring. Also, administrators currently participating in the program will receive a survey in the spring. Surveys administered to mentors and administrators will assess perceptions of program implementation over time, and the first-year teacher survey will continue to focus on their perceptions of the program and on their instructional skills. In addition to the surveys, the evaluation team will conduct interviews with mentors, with protégés participating in 2010–11, and with program coordinators about how the program has affected classroom instruction, program implementation, and professional development, as well as the strengths of the program and areas that could be improved. In the coming months of the grant, the evaluation team will be looking to ESPB to provide feedback on whether more or different information would be useful to them as they continue to work to meet the larger grant goals.

## Appendix A

### State Coordinator Interview Protocol

Hello, I'm \_\_\_\_\_, and I am here to learn more about your experience with the Teacher Support System Mentoring Program.

Thank you for taking the time to talk with me. I want to tape-record our interview in order to accurately capture everything you tell me. Your responses to my questions will be kept confidential so that you will not be identified.

Do I have your permission to record this interview with you? [*Note: If the respondents wish not to be tape-recorded, take notes, but do not proceed with recording.*]

1. Has your role changed since we last spoke in spring 2010? If so, how?
2. Since we last spoke in spring 2010, can you tell me if the Teacher Support System Mentoring Program has changed in any way? What changes are new this fall?. (*PROBE: Format, structure, frequency of meetings, etc.*)
  - a. What specifically brought about these changes?
  - b. What were lessons did you learn last year?
3. The Learning Point Associates survey administered last year identified specific areas in which first-year teachers needed additional support. These included addressing special population needs, better matching of mentors and teachers, etc. How, if at all, have you or the TSSMP program addressed these issues this fall?
4. Have the program coordinators' roles changed since last year? (*Probe: Has a new group of program coordinators been selected for this all? How many are there currently—old vs. new?*)
5. The next two questions are about the Teacher's Academy. Have any of the academy components or requirements changed? If so, what are the changes? What prompted the changes?
6. Do you see any difference in this year's new teachers compared to last year's? (*PROBE: Greater/fewer attendees? More/less engaged? Better representation of new districts?*)
7. The next two questions are about the TSSMP Mentor's Academy. Have any of the academy components or requirements changed? If so, how and why?
8. Do you see any difference in this year's mentors compared to last year's? (*PROBE: Greater/fewer attendees? More/less engaged? Better representation of new districts?*)
9. Do you think the program is meeting the needs of first-year teachers? Why or why not?

10. Do you think the program is meeting the needs of instructional coaches? Why or why not?
11. Are there additional aspects of the mentoring program that you think need additional improvement?
12. From your perspective, how supportive are districts or school administrators of the program?
13. Is there anything else that you would like to address about the mentoring program that we have not discussed?

## Appendix B

### Summary of Responses to Administrator Needs Assessment: Fall 2010

#### B1. Administrator Role

Q1. What is your role?	Frequency	Percentage
School principal	161	69.1%
Superintendent	62	26.6%
Other. Please specify.	10	4.3%
<b>Total</b>	<b>233</b>	<b>100.0%</b>

#### B2. Awareness of the TSS Mentor Program

Q2. Have you heard of the Teacher Support System (TSS) Mentoring Program?	Frequency	Percentage
No	22	9.4%
Yes	211	90.6%
<b>Total</b>	<b>233</b>	<b>100.0%</b>

#### B3. Type of Communication Received About the TSS Mentoring Program

Q3. How did you hear about the program?	No	Yes
Direct mail	90.1%	9.9%
Word of mouth	74.7%	25.3%
Listserv	67.8%	32.2%
E-mail	57.5%	42.5%
Professional organization	54.1%	45.9%

WDC EL

#### B4. Participation in the TSS Mentoring Program

Q4. Do you have teachers who are currently participating in the TSS Mentoring Program?	Frequency	Percentage
I don't know	22	9.4%
No	106	45.5%
Yes	105	45.1%
<b>Total</b>	<b>233</b>	<b>100.0%</b>

## Appendix C

### Summary of Responses to TSS Mentor Survey: Fall 2010

**Table C1. Years at Current School (N = 104)**

1. How long have you been teaching at your current school?	
This is my first year.	5.8%
2 to 4 years	22.1%
5 to 10 years	25.0%
11 to 15 years	18.3%
More than 16 years	28.8%
<b>Total</b>	<b>100.0%</b>

**Table C2. Years of Experience (N = 104)**

2. Including this academic year, how many total years of prior teaching experience do you have in any public or private school (public or private academic school) from September 2009 to July 2010?	
Less than 1 year	1.9%
1 to 2 years	2.9%
3 to 4 years	9.6%
5 to 6 years	2.9%
7 to 8 years	6.7%
9 to 10 years	6.7%
11 to 12 years	4.8%
13 to 14 years	7.7%
15 to 16 years	6.7%
17 years or more	50.0%
<b>Total</b>	<b>100.0%</b>

\* What is their background in assessment?

**Table C3. Grade Level Taught (N = 104)**

3. What grade(s) do you teach? Select all that apply.	
Prekindergarten	2.9%
Kindergarten	21.2%
1st grade	20.2%
2nd grade	21.2%
3rd grade	21.2%
4th grade	21.2%
5th grade	15.4%
6th grade	13.5%
7th grade	21.2%
8th grade	24.0%
9th grade	23.1%
10th grade	26.9%
11th grade	26.9%
12th grade	26.0%

*Note:* More than one grade is expected as a response, and percentages will not total to 100.

**Table C4. Subject Taught (N = 104)**

4. What subject(s) do you teach? Select all that apply.	
Reading/language arts	63.5%
Mathematics	53.8%
Science	45.2%
Social studies	46.2%
Special education	2.9%
Foreign language	0.0%

*Note:* More than one subject is expected as a response, and percentages will not total to 100.

**Table C5. Currently Mentoring in TSS Mentoring Program (N = 104)**

5. Are you currently a mentor in the North Dakota Teacher Support System (TSS) Mentoring Program?	
Yes	97.1%
No	1.0%
Not sure	1.9%
<b>Total</b>	<b>100.0%</b>

**Table C6. Percentage of Full-Time Teachers (N = 104)**

Q6. Are you currently a full-time classroom teacher?	Percentage
Yes	85.6%
No, I am a part-time teacher.	1.0%
No, I no longer teach.	3.8%
Other (Please specify.)	9.6%
<b>Total</b>	<b>100.0%</b>

**Table C7. Number of Protégés (N = 104)**

Q7. How many TSS (TSA) teachers are you currently mentoring or providing support to?	Percentage
None	2.9%
1	95.2%
2 or more	1.9%
<b>Total</b>	<b>100.0%</b>

**Table C8. Percentage With an Assigned Protégé (N = 104)**

Q8. Do you currently have a TSS assigned protégé?	Percentage
Yes	95.2%
No	1.9%
Missing	2.9%
<b>Total</b>	<b>100.0%</b>

**Table C9. Percentage Serving in an Additional Mentoring Program (N = 104)**

Q9. In addition to the TSS Mentoring Program, are you currently serving as a formally assigned mentor through your school, district, or another organization?	Percentage
Yes	39.4%
No	54.8%
Missing	5.8%
<b>Total</b>	<b>100.0%</b>

**Table C10. Review of Program Goals (N = 104)**

11. Have you reviewed the goals of the TSS Mentoring Program with my protégé?	Percentage
Yes	98.9%
No	1.1%
<b>Total</b>	<b>100.0%</b>

**Table C11. Review of Program Expectations (N = 104)**

12. I have reviewed the expectations of the mentoring program with my protégé.	Percentage
Yes	98.9%
No	1.1%
<b>Total</b>	<b>100.0%</b>

**Table C12. Frequency of Communication With Protégé**

13. Indicate the approximate frequency with which you and your TSS Mentoring Program protégés talk to one another following activities since the beginning of the year.	Never	Once a month	Once a month	Once a month	Once a week	More than once a week	Every day
Face-to-face communications (N = 99)	0.0%	2.0%	1.0%	5.1%	26.3%	20.2%	45.5%
Phone conferences (N = 93)	49.5%	18.3%	6.5%	8.6%	10.8%	6.5%	0.0%
E-mail communications (N = 94)	9.6%	13.8%	8.5%	20.2%	14.9%	23.4%	9.6%

*Interested*  
K

**Table C13. Mentor and Protégé Matching (N = 104)**

14. Indicate the extent to which you agree or disagree with the following statement: "I am a good match for my protégé."	Percentage
Strongly agree	53.8%
Agree	39.4%
Disagree	1.0%
Strongly disagree	1.0%
Missing	4.8%
<b>Total</b>	<b>100.0%</b>



**Table C14. Number of Classroom Observations (N = 104)**

15. Since the beginning of the school year, how many times have you observed your protégé teaching?	Percentage
None	35.6%
Once	36.5%
Twice	17.3%
Three times	4.8%
Four or more times	5.8%
<b>Total</b>	<b>100.0%</b>

*Needs to change. It has for semester.*

**Table C15. Meetings Between Mentors and Protégés Before Classroom Observations (N = 104)**

16. Since the beginning of the school year, have you met with your protégé before any of these observations to discuss his or her objectives for the lesson that you were going to observe?	Percentage
Yes	55.8%
No	36.5%
Missing	7.7%
<b>Total</b>	<b>100.0%</b>

*Too high*

**Table C16. Meetings Between Mentors and Protégés After Classroom Observations (N = 104)**

17. Since January 2010, have you met with your protégé after any of these observations to offer comments, suggestions, or techniques for improving his or her teaching?	Percentage
Yes	56.7%
No	34.6%
Missing	8.7%
<b>Total</b>	<b>100.0%</b>

**Table C17. Observation Protocol Use by Mentors (N = 87)**

18. Do you use a structured observation protocol when you observe your protégé?	Percentage
Yes	62.5%
No	28.8%
Missing	8.7%
<b>Total</b>	<b>100.0%</b>

**Table C18. Observation of Other Teachers by Protégés**

19. Since the beginning of the school year, has your protégé observed you or other veteran teachers conducting a lesson? Select all that apply.	Number	Percentage
Yes, my protégé observed me.	37	35.6%
Yes, my protégé observed another veteran teacher.	40	38.5%
No	33	31.7%

Note: Percentages may not total to 100 because respondent selects "all that apply."

**Table C19. Review of Protégés' Written Work by Mentors (N = 104)**

20. Have you reviewed examples of your protégés' written work and provided comments or suggestions for improving his or her teaching? (Written work could include reflections on teaching or examples of practice such as lesson plans, student assessments, or other materials related to teaching.)	Percentage
Yes	66.3%
No	27.9%
Missing	5.8%
<b>Total</b>	<b>100.0%</b>

**Table C20. Frequency of Mentors' Review of Protégés' Written Work (N = 104)**

21. Please estimate how often you have reviewed and provided feedback on examples of your protégés' written work since the beginning of the school year.	Percentage
Never	25.0%
Once	9.6%
Two times	24.0%
Three times	17.3%
Four times	5.8%
Five or more times	12.5%
Missing	5.8%
<b>Total</b>	<b>100.0%</b>

**Table C21. Influence of the TSS Mentoring Program on Mentors' Reflections About Their Own Practice (N = 104)**

22. To what extent have you reflected on your own teaching practice as a result of working with your protégé?	Percentage
To a great extent	38.5%
To a moderate extent	38.5%
To some extent	17.3%
Not at all	0.0%
Missing	5.8%
<b>Total</b>	<b>100.0%</b>

**Table C22. Types of Mentoring Activities**

23. Rate your level of agreement with the following statements from your interactions with your protégé.	Strongly Disagree	Disagree	Agree	Strongly Agree
I have developed a working relationship with my TSS protégé that is based on trust and respect. (N = 99)	1.0%	2.0%	24.2%	72.7%
When providing feedback to my TSS protégé, I ask strategic questions that promote self-reflection. (N = 99)	0.0%	4.0%	72.7%	23.2%
I have provided feedback to my TSS protégé that has improved his or her lesson planning. (N = 99)	1.0%	6.1%	69.7%	23.2%
I have helped my TSS protégé develop goals that are based on his or her demonstrated needs. (N = 99)	1.0%	5.1%	68.7%	25.3%
I have helped my TSS protégé develop effective classroom management procedures. (N = 98)	2.0%	9.2%	64.3%	24.5%
I have modeled the professional norms of teaching for my TSS protégé. (N = 98)	3.1%	7.1%	56.1%	33.7%
I have directed my TSS protégé to useful resources. (N = 97)	1.0%	4.1%	57.7%	37.1%
I have helped my TSS protégé communicate more effectively with administrators. (N = 98)	0.0%	15.3%	70.4%	14.3%

**Table C23. Mentors' Perceptions of the Professional Development They Received**

24. Rate the extent to which you agree or disagree with the following statements about TSS Mentoring Program professional development.	Strongly Disagree	Disagree	Agree	Strongly Agree
I have received high-quality mentor training in 2010–11 from the TSS Mentoring Program. (N = 99)	0.0%	0.0%	48.5%	51.5%
From the TSS Mentoring Program professional development, I have learned how to identify the elements of effective teaching. (N = 99)	0.0%	0.0%	56.6%	43.4%
From ongoing TSS Mentoring Program professional development, I have learned how to communicate the elements of effective teaching to my protégés. (N = 97)	0.0%	3.1%	64.9%	32.0%
I am part of a professional community that facilitates my mentoring skills. (N = 98)	0.0%	6.1%	58.2%	35.7%
I have received sufficient training from the TSS Mentoring Program that enables me to support the developing practice of new teachers. (N = 99)	0.0%	2.0%	58.6%	39.4%

**Table C24. Mentors' Level of Preparation for Their Role in the TSS Mentoring Program (N = 99)**

25. Rate the extent to which you agree or disagree about the level of preparation you received from the TSS Mentoring Program.	Strongly Disagree	Disagree	Agree	Strongly Agree
The mentor training provided by the TSS Mentoring Program prepared me to work effectively with my protégé.	0.0%	2.0%	51.5%	46.5%
The mentor training provided by the TSS Mentoring Program enhanced my listening skills (e.g., being nonjudgmental, accepting, paraphrasing, summarizing, clarifying).	0.0%	0.0%	47.5%	52.5%
I am a better mentor because of my participation in the TSS Mentoring Program.	0.0%	0.0%	37.4%	62.6%

**Table C25. Mentoring Support Provided in Planning and Preparation (N = 98)**

26. Rate the extent to which you addressed the following areas of planning and preparation with your protégé.	Not At All	Minimal Extent	Moderate Extent	Great Extent
Demonstrating knowledge of content and pedagogy.	1.0%	20.4%	55.1%	23.5%
Demonstrating knowledge of students.	1.0%	7.1%	49.0%	42.9%
Selecting instructional outcomes.	2.0%	15.3%	61.2%	21.4%
Demonstrating knowledge of resources.	1.0%	9.2%	57.1%	32.7%
Designing coherent instruction.	2.0%	21.4%	56.1%	20.4%
Designing student assessments.	2.0%	36.7%	37.8%	23.5%

**Table C26. Mentoring Support Provided in Establishing the Classroom Environment**

27. Rate the extent to which you addressed the following areas of establishing a classroom environment with your protégé.	Not at All	To a Minimal Extent	To a Moderate Extent	To a Great Extent
Creating an environment of respect and rapport. (N = 98)	0.0%	8.2%	51.0%	40.8%
Establishing a culture of learning. (N = 98)	1.0%	9.2%	59.2%	30.6%
Managing classroom procedures. (N = 97)	1.0%	5.2%	50.5%	43.3%
Managing student behavior. (N = 97)	1.0%	7.2%	36.1%	55.7%

**Table C27. Mentoring Support Provided in Professional Responsibility**

28. Rate the extent to which you addressed the following areas of maintaining professional responsibility with your protégé.	Not at All	To a Minimal Extent	To a Moderate Extent	To a Great Extent
Reflecting on teaching. (N = 98)	1.0%	8.2%	60.2%	30.6%
Maintaining accurate records. (N = 98)	2.0%	17.3%	45.9%	34.7%
Communicating with families. (N = 98)	1.0%	19.4%	49.0%	30.6%
Participating in a professional community. (N = 98)	2.0%	23.5%	54.1%	20.4%
Growing and developing professionally. (N = 98)	1.0%	18.4%	58.2%	22.4%
Showing professionalism (integrity, advocacy, etc.). (N = 97)	1.0%	11.3%	46.4%	41.2%

**Table C28. Mentoring Support Provided in Instructional Techniques (N = 98)**

29. Rate the extent to which you addressed the following instructional techniques with your protégé.	Not at All	To a Minimal Extent	To a Moderate Extent	To a Great Extent
Communicating with students.	1.0%	8.2%	56.1%	34.7%
Using questioning and discussion techniques.	2.0%	24.5%	49.0%	24.5%
Engaging students in learning.	1.0%	8.2%	48.0%	42.9%
Using assessment in instruction.	2.0%	28.6%	40.8%	28.6%
Demonstrating flexibility and responsiveness.	1.0%	6.1%	59.2%	33.7%

**Table C29. Quality of Mentoring Resources (N = 100)**

30. Rate the extent to which you agree or disagree with the following statements about the quality of the available resources within your school.	Strongly Disagree	Disagree	Agree	Strongly Agree
I have an adequate amount of weekly time sanctioned to focus on protégé development.	10.0%	19.0%	53.0%	18.0%
I collaborate with other TSS mentor teachers on topics that benefit protégés.	17.0%	36.0%	38.0%	9.0%
The TSS Mentoring Program has provided me with resources that will help me to support a protégé (e.g., books on mentoring, checklist of topics with protégés).	1.0%	8.0%	64.0%	27.0%
I receive adequate compensation for my work as a TSS mentor (e.g., stipend, release time).	1.0%	4.0%	67.0%	28.0%

**Table C30. Value of Training Seminar (N = 104)**

31. How valuable was the TSS Mentor Two-Day Seminar in providing you with the information you need to mentor your protégé?	Percentage
Very valuable	59.0%
Valuable	39.0%
Somewhat valuable	1.0%
Not very valuable	0.0%
I did not attend the First-Year Teacher Seminar.	1.0%
<b>Total</b>	<b>100.0%</b>

## Appendix D

### Summary of Responses to TSS Protégé Survey: Fall 2010

**Table D1. Years of Experience (N = 89)**

1. How long have you been teaching at your current school?	Percentage
This is my first year.	96.6%
This is my second year.	2.2%
I have taught here for more than two years.	1.1%
<b>Total</b>	<b>100.0%</b>

**Table D2. Grade Level Taught (N = 89)**

2. What grade(s) do you teach? Select all that apply.	Number	Percentage
Prekindergarten	2	2.2%
Kindergarten	20	22.5%
1st grade	18	20.2%
2nd grade	18	20.2%
3rd grade	16	18.0%
4th grade	20	22.5%
5th grade	21	23.6%
6th grade	15	16.9%
7th grade	19	21.3%
8th grade	20	22.5%
9th grade	24	27.0%
10th grade	28	31.5%
11th grade	27	30.3%
12th grade	22	24.7%

*Note:* More than one grade is expected as a response, and percentages will not total to 100.

**Table D3. Subject Taught (N = 89)**

3) What subject(s) do you teach? Select all that apply	Percentage
Reading/language arts	59.6%
Foreign language	0.0%
Mathematics	56.2%
Science	47.2%
Social studies	39.3%
Special education	2.2%

Note: More than one subject is expected as a response, and percentages will not total to 100.

**Table D4. Full-Time Teachers (N = 89)**

4) Are you currently a full-time classroom teacher?	Percentage
Yes	87.6%
No, I am a part-time classroom teacher.	5.6%
No, I no longer teach.	1.1%
Other (Please specify.)	5.6%
<b>Total</b>	<b>100.0%</b>

**Table D5. Current Participation of Teachers in the TSS Mentoring Program (N = 76)**

5) Are you currently participating in the North Dakota Teacher Support System Mentoring Program (TSS Mentoring Program)?	Percentage
Yes	97.8%
No	1.1%
Missing	1.1%
<b>Total</b>	<b>100.0%</b>



**Table D6. Teacher Preparation Program (N = 89)**

6. Which teacher preparation program did you graduate from?	Percentage
Dickinson State University	9.0%
Jamestown College	2.2%
Mayville State University	7.9%
Minot State University	14.6%
North Dakota State University	5.6%
Turtle Mountain Community College	1.1%
University of Mary	11.2%
University of North Dakota	7.9%
Valley City State University	9.0%
I completed my teacher preparation through an alternative route to certification program (e.g., Teach for America).	1.1%
I completed my teacher preparation at another institution outside North Dakota. Please specify:	28.1%
Missing	2.2%
<b>Total</b>	<b>100.0%</b>

**Table D7. Level of Preparation for Teaching (N = 89)**

7. After graduating from your teacher preparation program, how prepared were you to teach?	Percentage
Very prepared	34.8%
Adequately prepared	52.8%
Somewhat prepared	10.1%
Not very prepared	0.0%
Missing	2.2%
<b>Total</b>	<b>100.0%</b>

**Table D8. Types of Mentoring Participants Are Receiving (N = 74)**

	Missing	Yes	No
8. Do you currently have a TSS assigned mentor?	—	97.8%	2.2%
9. In addition to the TSS Mentoring Program, are you currently participating in a mentoring and support program that is provided through your school, district, or another organization?	2.2%	53.9%	43.8%

**Table D9. Primary Source of Mentoring and Support (N = 89)**

10. Whom do you consider to be your primary source of mentoring and support?	Percentage
My TSS mentor	75.3%
A teaching colleague who is NOT affiliated with the TSS Mentoring Program	12.4%
A teacher or mentor provided through the district.	6.7%
I do not have a mentor.	0.0%
I do not know what program my mentor is from.	0.0%
Other (Please specify.)	3.4%
Missing	2.2%
<b>Total</b>	<b>100.0%</b>

**Table D10. Review of Program Goals (N = 89)**

11. Has your mentor reviewed the goals of the mentoring program with you?	Percentage
Yes	92.1%
No	5.6%
Missing	2.2%
<b>Total</b>	<b>100.0%</b>

**Table D11. Review of Program Expectations (N = 89)**

12a. Has your mentor reviewed the expectations of the mentoring program with you?	Percentage
Yes	91.0%
No	5.6%
Missing	3.4%
<b>Total</b>	<b>100.0%</b>

**Table D12. Frequency of Communication With Mentor**

13. Indicate the approximate frequency with which you and your TSS mentor took part in the following activities	Never	Less than Once a Month	Once a Month	2-3 Times a Month	Once a Week	2-3 Times a Week	Every Day
Face-to-face communications (N = 87)	0.0%	1.1%	2.3%	11.5%	25.3%	21.8%	37.9%
Phone conferences (N = 83)	60.2%	15.7%	9.6%	7.2%	6.0%	1.2%	0.0%
E-mail communication (N = 83)	14.5%	4.8%	12.0%	18.1%	21.7%	21.7%	7.2%

**Table D13. Number of Classroom Observations by Mentor (N = 89)**

14. How many times has your mentor observed you teaching since the beginning of the academic year (2010-11)?	Percentage
None	46.1%
Once	33.7%
Two times	10.1%
Three times	3.4%
Four or more times	4.5%
Missing	2.2%
<b>Total</b>	<b>100.0%</b>

**Table D14. Observation Activities (N = 89)**

	Missing	Yes	No	Not Sure	Total
15. Since the beginning of the year, has your mentor used a structured protocol while conducting any of his or her observations of your teaching?	4.5%	39.3%	25.8%	30.3%	100.0%
16. My mentor has met with me before and after classroom observations to provide constructive feedback.	3.4%	52.8%	43.8%	—	100.0%
17. My mentor uses a conference log to guide our one-on-one discussions.	2.2%	83.1%	5.6%	9.0%	100.0%

**Table D15. Changes Made Based on Observation Feedback (N = 89)**

18. How many changes have you made that are based on feedback provided from your mentor's classroom observations?	Percentage
Many changes	6.7%
Several changes	21.3%
Some changes	41.6%
No changes	4.5%
My mentor has not observed in my classroom.	23.6%
Missing	2.2%
<b>Total</b>	<b>100.0%</b>

**Table D16. Observations of Other Teachers (N = 89)**

19. Since the beginning of the year, have you observed your mentor or other veteran teachers conduct a lesson? Select all that apply.	Percentage
Yes, I observed another veteran teacher.	40.4%
Yes, I observed my mentor.	30.3%
No.	39.3%

*Note:* More than one choice is expected as a response, and percentages will not total to 100.

**Table D17. Mentor Support and School Culture**

20. Rate the degree to which your TSS mentor has supported your orientation to your school's culture in the following areas:	Not at All	Minimal Extent	Moderate Extent	High (Great) Extent
Understanding the school's culture (e.g., traditions, staff meetings). (N = 87)	4.6%	8.0%	35.6%	51.7%
Understanding the school's policies and procedures (e.g., classroom management, submitting lesson plans). (N = 87)	1.1%	11.5%	36.8%	50.6%
Handling paperwork (e.g., grading, student records). (N = 85)	4.7%	16.5%	30.6%	48.2%
Working with classroom teachers and principal(s). (N = 87)	3.4%	13.8%	35.6%	47.1%
Accessing district and community resources (e.g., afterschool programs, professional development). (N = 86)	2.3%	20.9%	39.5%	37.2%
Communicating with parents. (N = 87)	4.6%	16.1%	46.0%	33.3%

**Table D18. Mentor Support and Skill Development in Planning and Preparation (N = 87)**

21. Rate the extent to which working with your TSS mentor has improved your skills in planning and preparation	Not at All	To a Minimal Extent	To a Moderate Extent	To a Great Extent
Demonstrating knowledge of students	2.3%	18.4%	41.4%	37.9%
Demonstrating knowledge of resources	3.4%	8.0%	51.7%	36.8%
Designing coherent instruction	8.0%	20.7%	43.7%	27.6%
Selecting instructional outcomes	6.9%	17.2%	49.4%	26.4%
Designing student assessments	9.2%	23.0%	41.4%	26.4%
Demonstrating knowledge of content and pedagogy	5.7%	24.1%	46.0%	24.1%

**Table D19. Mentor Support and Skill Development in Creating the Classroom Environment**

22. Rate the extent to which working with your TSS mentor has improved your skills in creating the classroom environment	Not at All	To a Minimal Extent	To a Moderate Extent	To a Great Extent
Establishing a culture for learning. (N = 87)	8.0%	14.9%	42.5%	34.5%
Managing classroom procedures. (N = 86)	4.7%	16.3%	46.5%	32.6%
Creating an environment of respect and rapport. (N = 87)	5.7%	17.2%	44.8%	32.2%
Managing student behavior. (N = 87)	2.3%	17.2%	49.4%	31.0%
Organizing physical space. (N = 87)	12.6%	26.4%	43.7%	17.2%

**Table D20. Mentor Support and Skill Development in Instructional Techniques**

23. Rate the extent to which working with your TSS mentor has improved your skills in the following instructional techniques	Not at All	To a Minimal Extent	To a Moderate Extent	To a Great Extent
Engaging students in learning. (N = 86)	9.3%	20.9%	37.2%	32.6%
Communicating with students. (N = 86)	4.7%	22.1%	44.2%	29.1%
Demonstrating flexibility and responsiveness. (N = 85)	8.2%	16.5%	47.1%	28.2%
Using assessment in instruction. (N = 86)	9.3%	24.4%	40.7%	25.6%
Using questioning and discussion techniques. (N = 86)	11.6%	24.4%	41.9%	22.1%

**Table D21. Mentoring Support and Skill Development in Professional Activities**

24. Rate the extent to which working with your TSS mentor has improved your skills in the following professional activities.	Not at All	To a Minimal Extent	To a Moderate Extent	To a Great Extent
Showing professionalism (integrity, advocacy). (N = 86)	5.8%	14.0%	44.2%	36.0%
Growing and developing professionally. (N = 85)	3.5%	23.5%	37.6%	35.3%
Participating in a professional community. (N = 85)	5.9%	28.2%	36.5%	29.4%
Maintaining accurate records. (N = 86)	8.1%	14.0%	48.8%	29.1%
Reflecting on teaching. (N = 86)	4.7%	23.3%	46.5%	25.6%
Communicating with families. (N = 86)	8.1%	25.6%	43.0%	23.3%

**Table D22. Perceptions of Mentor**

25. Rate the extent to which you agree or disagree with the following statements about your mentor.	Strongly Disagree	Disagree	Agree	Strongly Agree
My TSS mentor is approachable. (N = 87)	0.0%	1.1%	14.9%	83.9%
My TSS mentor communicates well with me. (N = 87)	2.3%	2.3%	14.9%	80.5%
My TSS mentor is accepting of me as a beginning teacher. (N = 87)	1.1%	0.0%	18.4%	80.5%
My TSS mentor is committed to the role of mentoring. (N = 87)	1.1%	5.7%	18.4%	74.7%
My TSS mentor is appropriately matched with me for my grade. (N = 87)	0.0%	9.2%	21.8%	69.0%
My TSS mentor communicates hope and optimism. (N = 86)	1.2%	5.8%	24.4%	68.6%
My TSS mentor is appropriately matched with me for my subject area. (N = 87)	2.3%	8.0%	21.8%	67.8%
My TSS mentor is a model of a continuous learner. (N = 86)	1.2%	3.5%	27.9%	67.4%
My TSS mentor is well trained to provide support for new teachers. (N = 87)	0.0%	6.9%	26.4%	66.7%

**Table D23. Quality of Mentoring Resources (N = 87)**

26. Rate the extent to which you agree or disagree with the following statements about the quality of the available resources specifically directed toward mentoring.	Strongly Disagree	Disagree	Agree	Strongly Agree
I receive high-quality mentoring from my TSS mentor.	3.4%	8.0%	32.2%	56.3%
My TSS mentor has provided me with resources that support my instructional practices.	3.4%	4.6%	43.7%	48.3%
As a protégé, I have an adequate amount of weekly time designated to work with my TSS mentor on beginning teacher development.	5.7%	13.8%	49.4%	31.0%

**Table D24. Value of First-Year Teacher Seminar (N = 74)**

27. How valuable was the TSS First-Year Teacher Seminar to you in terms of the mentoring program?	Percentage
Very valuable	13.5%
Valuable	22.5%
Somewhat valuable	15.7%
Not very valuable	1.1%
I did not attend the First-Year Teacher Seminar.	43.8%
Missing	3.4%
<b>Total</b>	<b>100.0%</b>

**Table D25. Organizational Support for New Teachers**

29. Rate the extent to which you agree or disagree with the following statements about the organizational support provided for new teachers at your school.	Strongly Disagree	Disagree	Agree	Strongly Agree
My school principal is accessible to new teachers. (N = 84)	0.0%	4.8%	42.9%	52.4%
My principal has been supportive of the goals of the TSS Mentoring Program. (N = 85)	0.0%	5.9%	43.5%	50.6%
My building has an established, positive culture that supports new teachers. (N = 85)	1.2%	8.2%	44.7%	45.9%
The administration has clearly articulated strategies that support beginning teachers. (N = 85)	1.2%	17.6%	44.7%	36.5%
My school provides adequate instructional materials and resources for mentoring. (N = 84)	3.6%	13.1%	54.8%	28.6%
There are ongoing conversations between teachers and administrators about the needs of new teachers. (N = 85)	3.5%	23.5%	48.2%	24.7%

**Table D26. Impact of Mentoring on Teaching (N = 89)**

30. I am a more effective teacher because of my participation in the mentoring program.	Percentage
Strongly agree	15.7%
Agree	70.8%
Disagree	6.7%
Strongly disagree	3.4%
Missing	3.4%
<b>Total</b>	<b>100.0%</b>

**Table D27. Satisfaction With Mentoring Received (N = 89)**

31. Overall, how satisfied are you with the mentoring that you have received since the beginning of the academic year (2010-11)?	Percentage
Very satisfied	40.4%
Satisfied	42.7%
Somewhat dissatisfied	10.1%
Very dissatisfied	3.4%
Missing	3.4%
<b>Total</b>	<b>100.0%</b>

**Table D28. Future Plans (N = 89)**

34. What are your plans for teaching for the next school year (2010-11)?	n	Percentage
I plan to stay and teach at my current school.	78	87.6%
I plan to teach, but at a different school within my current district.	0	0.0%
I plan to teach, but in a different school district entirely.	2	2.2%
I am considering leaving the teaching profession.	0	0.0%
I am certain that I will leave the teaching profession.	0	0.0%
Other, please specify:	6	6.7%
Missing	3	3.4%
<b>Total</b>	<b>86</b>	<b>100.0%</b>



**Table D29. Factors Influencing Decision to Leave School (N = 8)**

5. Rate the degree to which the following factors were important in influencing your decision	Not at All Important	Minimally Important	Moderately Important	Very Important
Level of interest in teaching	12.5%	25.0%	12.5%	50.0%
Relationship with principals and teachers in the school	12.5%	25.0%	37.5%	25.0%
Amount of professional development support I received separately from my school or district	0.0%	37.5%	50.0%	12.5%
Amount of mentoring support I received from my TSS mentor	25.0%	12.5%	50.0%	12.5%
Amount of mentoring support I received separately from my school or district	25.0%	0.0%	62.5%	12.5%
Amount of support from my TSS-assigned mentor	25.0%	12.5%	62.5%	0.0%

# COACHES ACADEMY

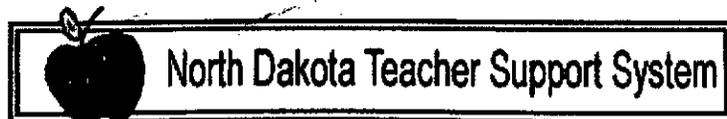


National  
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## North Dakota Instructional Coaches Academy

2010-2011



#12 SB2150

# COACHES ACADEMY



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## North Dakota Instructional Coaches Academy

2010-2011  
Days 3 and 4



North Dakota Teacher Support System

#12 SB 2150

# COACHES ACADEMY



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## North Dakota Instructional Coaches Academy

2010-2011

Days 5 and 6



North Dakota Teacher Support System

#12 SB2150

# North Dakota Coaches Academy: Fall 2010 Survey Results

December 2010

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## Introduction

The North Dakota Education Standards and Practice Board (ESPB) Coaches Academy trains instructional coaches, master teachers, or individuals within school districts that support or work with classroom teachers to improve their instructional skills. The ultimate aim of the Coaches Academy is to improve student learning. The program is funded through a \$2.3 million grant approved by the 61<sup>st</sup> North Dakota Legislative Assembly in 2009 and training is provided through Learning Forward, formerly known as the National Staff Development Council (NSDC). In the fall of 2010, two trainings were held in Bismarck and Fargo, ND, in September and November.

Learning Point Associates, now an affiliate of the American Institutes of Research, was contracted in December 2009 to provide formative feedback on the Coaches Academy guided by the following evaluation question:

- How relevant and useful is the training coaches receive in the Coaches Academy?

This brief presentation of findings begins with an overview of the data collection method used to provide feedback on the training sessions held in September and November 2010.

## Methods

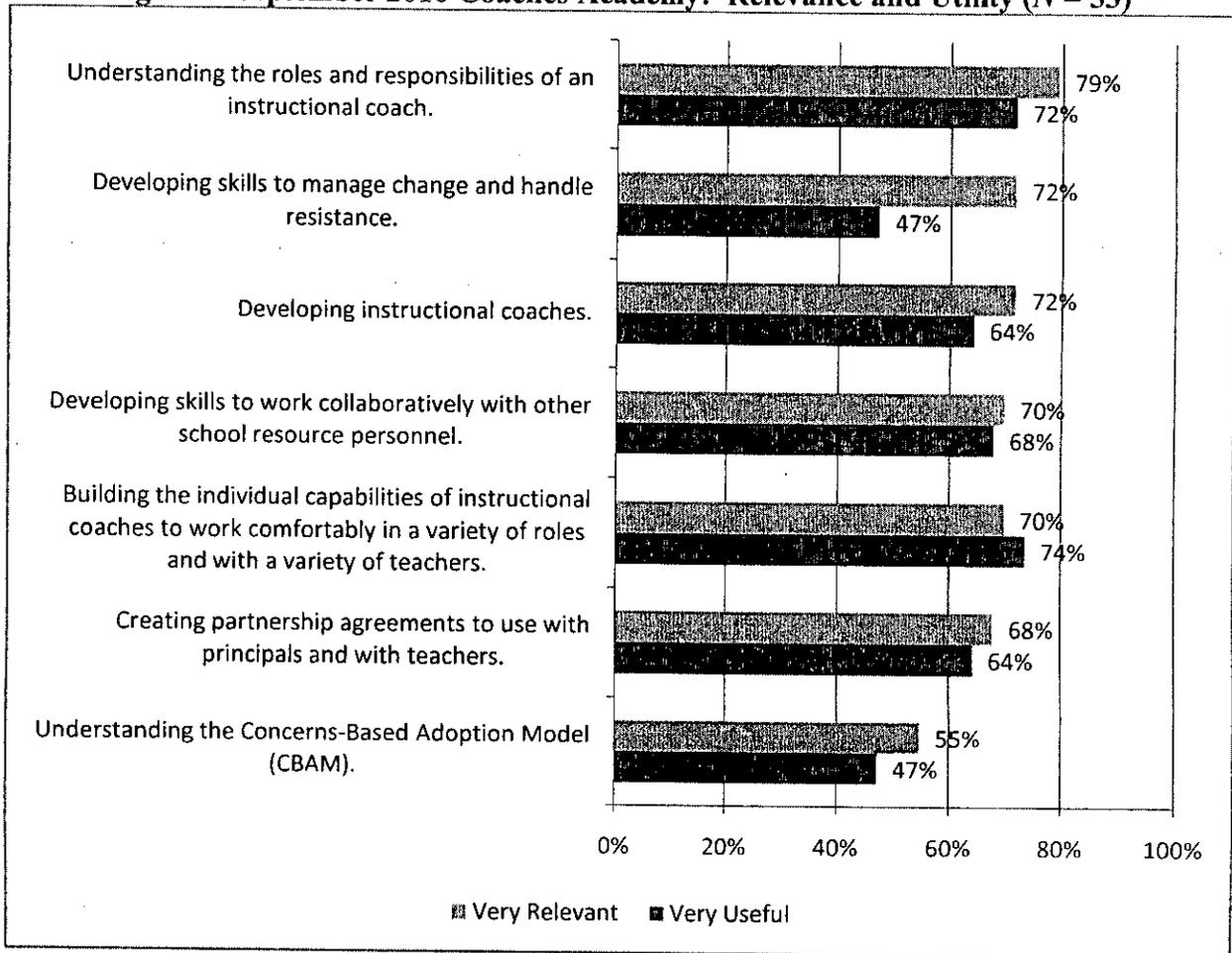
In fall 2010, Learning Point Associates administered an online survey focused on the topics covered in each of the two Coaches Academy training sessions. All participants in the Coaches Academy received the survey ( $N = 76$ ) with 53 participants (70 percent) completing the survey. The majority of the participants who completed the survey have been coaching five years or less (80 percent). The majority (55 percent) of the respondents were in their first year of coaching.

## Findings

The findings on the trainings' relevance and utility are presented in the following pages. Complete survey findings are located in Appendix A.

**September 2010.** Participants who attended the Coaches Academy trainings on September 27 and 28 in Bismarck and September 29 and 30 in Fargo were asked how *relevant* and *useful* each of the topics presented was to their work as an instructional coach. Figure 1 presents the percentage of participants who responded that the topics covered were either *very relevant* or *very useful*.

**Figure 1. September 2010 Coaches Academy: Relevance and Utility (N = 53)**



Overall, the majority of participants found the September session *relevant*; however, some topics were perceived as more *useful* than others. Topics that participants found most *relevant* were:

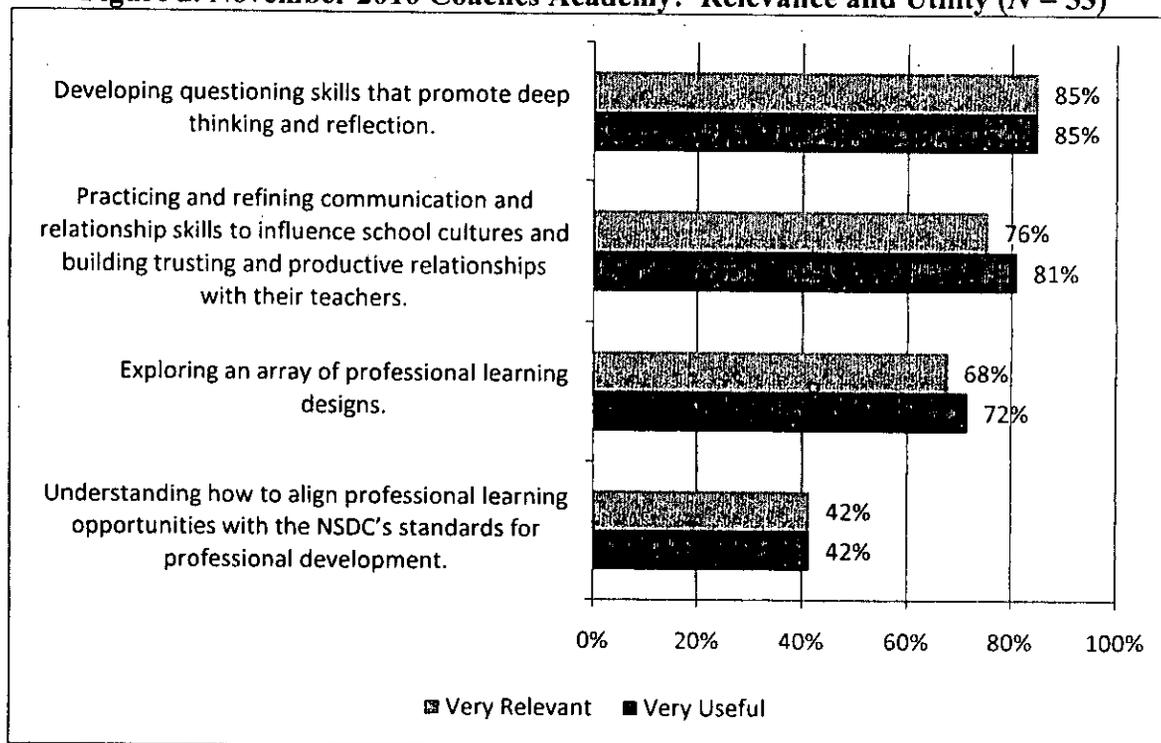
- Understanding the roles and responsibilities of an instructional coach (79 percent)
- Developing skills to manage change and handle resistance (72 percent)
- Developing instructional coaches (72 percent).

Topics that participants found most *useful* were:

- Building the individual capabilities of instructional coaches to work comfortably in a variety of roles and with a variety of teachers (74 percent).
- Understanding the roles and responsibilities of an instructional coach (72 percent).
- Developing skills to work collaboratively with other school resource personnel (68 percent).

**November 2010.** Participants who attended the Coaches Academy trainings on November 15 and 16 in Bismarck and November 17 and 18 in Fargo were asked how *relevant* and *useful* each of the topics presented was to their work as an instructional coach. Figure 2 presents the percentage of participants who responded that the topics covered were either *very relevant* or *very useful*.

**Figure 2. November 2010 Coaches Academy: Relevance and Utility (N = 53)**



Overall, the majority of participants found three of the four sessions *very relevant*. Topics that participants found most *relevant* and *useful* were:

- Developing questioning skills that promote deep thinking and reflection.
- Practicing and refining communication and relationship skills to influence school cultures and building trusting and productive relationships with their teachers.

Least *relevant* and *useful* was the information presented on aligning professional learning opportunities with the NSDC's standards for professional development.

### Suggestions for Improvement

Participants were also asked to provide feedback on how the Coaches Academy could be improved. The majority of participants in the Coaches Academy (59 percent) felt that the trainings were "very good, useful, contained good information, met their needs, and were well



organized". Some suggestions offered by participants for improving one or both sessions included:

- Training principals about coaches role as well as on their role in the program;
- Requiring all coaches to participate in the training;
- Providing more opportunities for sharing between instructional coaches as well as more time working or problem solving with individuals at their tables;
- Using larger meeting space; and
- Providing opportunities to practice norm setting and facilitating meetings.

## Appendix A

### North Dakota Coaches Academy Survey Results and Tables

**Table 1. Survey Administration**

Survey launch date	November 19, 2010
Survey close date	November 26, 2010
Number of e-mail reminders sent	2
Number of survey questions	14
Number of instructional coaches invited to complete survey	76
Coaches who completed survey	69.7% (n = 53)

**Table 2. Length of Time as an Instructional Coach (N = 53)**

How long have you been an instructional coach in your district?	
This is my first year	54.7%
2 to 5 years	28.3%
6 to 10 years	13.2%
11 to 15 years	–
More than 15 years	1.9%
<b>Total</b>	<b>100%</b>

**Table 3. Attendance at the September 2010 North Dakota Teacher Support System Coaches Academy (N = 53)**

Did you attend the September 2010 North Dakota Teacher Support System Coaches Academy?	
Yes	94.3%
No	5.7%
Where did you attend the September workshop?	
Bismarck, ND	47.2%
Fargo, ND	45.3%
I attended workshops at both locations	1.9%
I did not attend either location	–
Missing	5.7%

**Table 4. Relevance of the September 2010 Training Topics (N = 53)**

How relevant were the following training topics to your work as an instructional coach?	Not at All Relevant	Somewhat Relevant	Moderately Relevant	Very Relevant	Missing
Understanding the roles and responsibilities of an instructional coach.	0.0%	9.4%	5.7%	79.2%	5.7%
Developing instructional coaches.	1.9%	3.8%	17.0%	71.7%	5.7%
Developing skills to manage change and handle	0.0%	3.8%	17.0%	71.7%	7.5%

resistance.					
Building the individual capabilities of instructional coaches to work comfortably in a variety of roles and with a variety of teachers.	0.0%	3.8%	20.8%	69.8%	5.7%
Developing skills to work collaboratively with other school resource personnel.	0.0%	7.5%	17.0%	69.8%	5.7%
Creating partnership agreements to use with principals and with teachers.	0.0%	9.4%	17.0%	67.9%	5.7%
Understanding the Concerns-Based Adoption Model (CBAM).	0.0%	7.5%	32.1%	54.7%	5.7%

**Table 5. Usefulness of September 2010 Topics (N = 53)**

How useful was the information you received on these topics?	Not at All Useful	Somewhat Useful	Moderately Useful	Very Useful	Missing
Building the individual capabilities of instructional coaches to work comfortably in a variety of roles and with a variety of teachers.	0.0%	0.0%	17.0%	73.6%	9.4%
Understanding the roles and responsibilities of an instructional coach.	0.0%	3.8%	15.1%	71.7%	9.4%
Developing skills to work collaboratively with other school resource personnel.	0.0%	7.5%	15.1%	67.9%	9.4%
Developing instructional coaches.	0.0%	3.8%	22.6%	64.2%	9.4%
Creating partnership agreements to use with principals and with teachers.	0.0%	9.4%	17.0%	64.2%	9.4%
Understanding the Concerns-Based Adoption Model (CBAM).	0.0%	11.3%	32.1%	47.2%	9.4%
Developing skills to manage change and handle resistance.	0.0%	11.3%	32.1%	47.2%	9.4%

**Table 6. Attendance at the November 2010 North Dakota Teacher Support System Coaches Academy (N = 53)**

Did you attend the November 2010 North Dakota Teacher Support System Coaches Academy?	
Yes	98.1%
No	1.9%
Where did you attend the November workshop?	
Bismarck, ND	58.5%
Fargo, ND	39.6%
I attended workshops at both locations	–
I did not attend either location	–
Missing	1.9%

**Table 7. Relevance of the November 2010 Training Topics (N = 53)**

How relevant were the following training topics to your work as an instructional coach?	Not at All Relevant	Somewhat Relevant	Moderately Relevant	Very Relevant	Missing
Developing questioning skills that promote deep thinking and reflection.	0.0%	1.9%	11.3%	84.9%	1.9%

Practicing and refining communication and relationship skills to influence school cultures and building trusting and productive relationships with their clients.	0.0%	5.7%	15.1%	75.5%	3.8%
Exploring an array of professional learning designs.	0.0%	5.7%	24.5%	67.9%	1.9%
Understanding how to align professional learning opportunities with the NSDC's standards for professional development.	11.3%	11.3%	34.0%	41.5%	1.9%

**Table 8. Usefulness of November 2010 Topics (N = 53)**

How useful was the information you received on these topics?	Not at All Useful	Somewhat Useful	Moderately Useful	Very Useful	Missing
Developing questioning skills that promote deep thinking and reflection.	–	1.9%	11.3%	84.9%	1.9%
Practicing and refining communication and relationship skills to influence school cultures and building trusting and productive relationships with their clients.	–	3.8%	13.2%	81.1%	1.9%
Exploring an array of professional learning designs.	–	5.7%	20.8%	71.7%	1.9%
Understanding how to align professional learning opportunities with the NSDC's standards for professional development.	7.5%	13.2%	35.8%	41.5%	1.9%

**Table 9. Extent of Reflection on Current Coaching Practice (N = 53)**

To what extent have you reflected on your own coaching practice as a result of participating in the Coaches Academy?	
Not at all	–
To some extent	11.3%
To a moderate extent	32.1%
To a great extent	54.7%
Missing	1.9%
<b>Total</b>	<b>100%</b>

**Table 10. Workshop Value (N = 53)**

Overall, how valuable were the workshops to you?	
Not at all valuable	–
Somewhat valuable	–
Valuable	28.3%
Very valuable	69.8%
Missing	1.9%
<b>Total</b>	<b>100%</b>

## Open-Ended Responses

### What is your primary title or position at your school or district?

- The majority of the 53 respondents identified themselves as being a reading coach or strategist ( $n = 18$ ). Other common positions included: instructional coach or strategist ( $n = 6$ ); student performance strategist ( $n = 5$ ); math coach or strategist ( $n = 4$ ); school principal ( $n = 4$ ); or special education coordinator ( $n = 2$ ). Other positions included data coach, music teacher, assistant director of education, and technology integration specialist.

### How could the September or November trainings have been improved?

- The majority of participants in the Coaches Academy (59 percent) felt that the trainings were “very good, useful, contained good information, met their needs, and were well organized.”
- Some suggestions offered by participants for improving one or both sessions included:
  - Training principals about the role of the coaches as well as the expectations for themselves—this should be in conjunction with the Coaches Academy;
  - Requiring all coaches to participate in this training;
  - Providing more opportunities for sharing between instructional coaches as well as more time working or problem solving with individuals at their tables;
  - Using larger meeting space; and
  - Providing opportunities to practice norm setting and facilitation of the meeting.

### Please provide examples of the other types of educators in your school or district you feel would benefit from participating in the Teacher Support System Coaches Academy.

- The most highly recommended group of individuals suggested by respondents included:
  - Principals, administrators, or school leaders ( $n = 31$ )
  - Specialists (e.g., reading, curriculum, data, resource, etc.) ( $n = 5$ )
  - Special education teachers ( $n = 4$ )
  - District-level administrators ( $n = 3$ )
  - Title I teachers ( $n = 2$ )
  - Teachers in general ( $n = 2$ )
  - Committee chairpersons ( $n = 1$ )

**SECTION 13, CHAPTER 15.1-18.2  
PROFESSIONAL DEVELOPMENT PLANS**

**15.1-18.2-01. Professional development plan - Adoption - Review by school district.**

1. Each school district shall adopt a professional development plan. The plan must include a description of the professional development activities that the district offers or makes available, the district's requirements for participation by teachers, and the manner in which participation is documented.
2. Each school district shall review and if necessary modify its plan at least once every five years.
3. Each school district shall file a copy of its most recent professional development plan with the superintendent of public instruction.

**15.1-18.2-02. Professional development plan - Review by superintendent of public instruction.** The superintendent of public instruction shall review each school district's professional development plan to ensure that the plan meets the requirements of section 15.1-18.2-01, is designed to improve the quality of teaching and learning in the district, and is implemented in an efficient and effective manner.

**15.1-18.2-03. Professional development advisory committee - Duties - Staff support.**

1. The superintendent of public instruction shall appoint a professional development advisory committee to:
  - a. Examine the delivery of professional development in this state;
  - b. Review professional development needs from the perspective of teachers, school administrators, school board members, and parents;
  - c. Review the professional development plans filed by school districts and propose changes to improve the opportunities for professional development; and
  - d. Advise the superintendent regarding regulatory and statutory measures that could be pursued to improve the quality and availability of professional development opportunities.
2. The superintendent shall provide staff support to the professional development advisory committee.

# 11 SB 2150



**North Dakota Department of Public Instruction**  
**Dr. Wayne G. Sanstead, State Superintendent**  
 600 East Boulevard Avenue Dept 201, Bismarck, ND 58505-0440

**ND Professional Development Advisory Committee**

Name	Phone Number	Address	Email Address
<b>ADMINISTRATORS</b>			
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Name	Phone Number	Address	Email Address
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#12 SB 2150



## ND Professional Development Advisory Committee Process

### Reviewed Research

- Reviewed the research of effective professional development from national organizations and the work of other states (October-December 2009)

### Examined Plans

- Examined samples of existing ND Professional Development Plans which included districts of different sizes and geographical representation (October-December 2009)

### Conducted a Survey

- Conducted a survey with ND administrators and teachers to gather baseline data on the current status of professional development (January 2010)

### Developed ND Professional Teacher Standards

- Developed a draft of ND Professional Teacher Standards as a reference for teachers to use in determining professional development needs (February-May 2010)

### Created an Online Template

- Created an online professional development plan template based on current best practice research, survey results, review of existing PD plans and aligned to school improvement plans (February-August 2010)

### Created an Online Review Process

- Created an online review process to provide districts with timely feedback on their plans (June-August 2010)

### Assisted Districts

- Held work sessions for all REAs and spoke at conferences to assist districts in writing their professional development plans

### Submitted District Plans

- District plans submitted and reviewed by the committee (Nov-December 2010)

### Created a Timeline

- Created a timeline for future review and feedback to districts on their professional development plans (January 2011)

### Developed Model

- Developed the ND Professional Development Model based on best practice research, survey results, previous professional development plans, and teacher and administrative feedback from a pilot project on the Standards-Based Education Cycle (ongoing)

### Modified Model

- Modified the ND Professional Development Model when further analysis of current professional development plans is completed (ongoing)

### Developed Website

- Created a professional development website to post activities and host professional development conversations  
<http://blogs.edutech.nodak.edu/professionaldvelopmentnd/>

Supplemental Teacher-Effectiveness Compensation Plan  
SB2150

Comments by  
Jon Martinson, Executive Director  
North Dakota School Boards Association

**Step 1 (Page 28, lines 1-8; 20-25)**

Creation of a Review Panel and hire an individual to help the panel in its duties which include:

- Developing and distributing guidelines pertaining to creating this plan
- Meeting with districts interested in creating a plan. Plan must include five factors in the bill (page 27, lines 13-21) and also "a rigorous and objective system of teacher evaluation."

**Step 2 (Page 27, lines 10-11)**

Teachers and school board members agree on a compensation plan (may not include other conditions of employment). Since plan has been agreed to, it is not subject to impasse; however, other negotiated items of employment are subject to impasse and Fact Finding.

**Step 3 (Page 28, lines 18-19)**

School district submits plan to Review Panel for approval by April 1 for funding the next school year.

**Step 4 (Page 28, lines 11-12)**

If approved, Review Panel submits plan to state Superintendent for distribution of funds.

**Step 5 (Page 28, lines 29-31)**

Submit an annual report with state Superintendent. Did the plan achieve its goals as outlined in lines 1-11 on page 29.

**Step 6 (Page 29, lines 17-19)**

Request for continued funding

Education Secretary Duncan has told educators that the re-authorization of the Elementary and Secondary Education Act (ESEA) will require states to define teacher effectiveness. North Dakota can use this initiative as moving towards a definition of an effective teacher.

North Dakota has an opportunity to be pro-active and set an example for initiative rather than waiting for the federal government to tell us what a plan will look like.

**SALARY SCHEDULE - MANDAN - 2010-2011**

30,690

EDD Amount

1,500

Year	BA-BS	BA+16	BA+30	MA-MS	MA+16	MA+30	EDD
0	31,265	31,757	32,250	33,284	35,600	36,828	38,328
1	31,757	32,250	32,742	35,201	36,490	37,810	39,355
2	32,250	32,672	34,741	36,030	37,380	38,792	40,382
3	32,742	33,284	35,539	36,859	38,270	39,774	41,409
4	33,234	34,987	36,337	37,687	39,160	40,756	42,436
5	33,730	35,754	37,135	38,516	40,050	41,738	43,463
6	35,171	36,613	38,025	39,437	41,033	42,782	44,567
7	35,969	37,472	38,915	40,357	42,015	43,825	45,670
8	36,767	38,332	39,805	41,278	42,997	44,869	46,774
9	37,565	39,191	40,695	42,199	43,979	45,912	47,877
10	38,363	40,050	41,585	43,119	44,961	46,956	48,981
11	39,160	41,033	42,567	44,194	46,096	48,122	50,222
12	39,958	42,015	43,549	45,268	47,232	49,288	51,463
13	40,879	42,997	44,531	46,342	48,367	50,454	52,704
14	41,800	43,979	45,513	47,416	49,503	51,621	53,946
15	42,720	44,961	46,495	48,490	50,639	52,787	55,187
16	43,641	45,943	47,477	49,564	51,774	53,953	56,428
17	44,685	46,986	48,552	50,792	53,002	55,242	57,792
18	45,667	48,030	49,626	52,020	54,229	56,531	59,171
19		49,073	50,700	53,247	55,457	57,820	60,550
20		50,117	51,774	54,475	56,684	59,109	61,929
21		51,598	53,429	55,702	57,912	60,398	63,308
22				57,406	59,969	62,533	65,533

# The NEA Profession Growth Salary Schedule

## Accomplished Teacher

- **Minimum Entry Criteria:** 5 years of teaching, including successful movement through previous levels
- At least one year as Professional Teacher.
- **Responsibilities:** Full-time teaching or service as a peer coach, mentor, NBPTS coach, or teacher leader
- **Salary:** Minimum of \$80,000. Additional pay for additional activities.
- **Duration:** An option to remain for duration of one's teaching career.
- Must show evidence of effectiveness and continuous professional learning periodically.
- Active National Board Certification required, with renewal as set forth by NBPTS

## Professional Teacher

- **Minimum Entry Criteria:** Professional License and successful completion of Provisional and Emerging levels
- **Responsibilities:** Full-time teaching or equivalency. After five years of successful teaching, may become peer coach, mentor, or teacher leader.
- **Salary:** Minimum of \$55,000 with a 5% increase for completion of each successful year up to a maximum at Year 9.
- Additional pay for additional activities.
- **Duration:** An option to remain for duration of teaching career.
- Must show evidence of effectiveness and continuous professional learning periodically.
- **Movement to Next Level:** Achieving NBPTS Certification

## Provisional Teacher

- **Minimum Entry Criteria:** Preliminary license/teaching certificate and one year at the Provisional level
- **Responsibilities:** Full teaching schedule but no non-teaching duties. Maintain a professional journal.
- Continue in induction/mentoring program.
- **Salary:** Minimum of \$45,000 plus a 5% increase for completion of each successful year.
- **Duration:** Three years
- **Movement to Next Level:** Complete requirements as assessed by a comprehensive teacher evaluation

- **Minimum Entry Criteria:** Bachelor's in subject area
- **Responsibilities:** Reduced teaching schedule. Observe Professional and Accomplished Teachers.
- Dedicated professional development. Participate in an induction and mentoring program.
- **Salary:** Minimum of \$40,000.
- **Duration:** One year. Two years in special circumstances.
- **Movement to Next Level:** Complete requirements as assessed by a comprehensive teacher evaluation system.

TABLE 1

ILLUSTRATION FOR REVISED MAIN FUNDING FORMULA  
 PREPARED FOR THE ND COMMISSION ON EDUCATION IMPROVEMENT  
 (Based on Grafton School District)

KEY	DESCRIPTION	ADM	WEIGHTING FACTOR	WEIGHTED ADM
1	Grades K-12 ADM <i>(based on prior year-end)</i>	828.00	1.00	828.00
2	PK Special Ed ADM	24.00	1.00	24.00
3	<b>BASE ADM</b>			<b>852.00</b>
4	Special Ed ADM <i>(base ADM)</i>	852.00	0.073	62.20
5	Pre-K Special Ed ADM	24.00	0.17	4.08
6	English Language Learners: Level 1	5.00	0.30	1.50
7	English Language Learners: Level 2	6.00	0.20	1.20
8	English Language Learners: Level 3	20.00	0.07	1.40
9	Special Ed ESY	10.00	1.00	10.00
10	Alternative High School	0.00	0.25	0.00
11	Summer School	16.00	0.60	9.60
12	Migrant Summer School	50.00	1.00	50.00
13	Home Education <i>(district supervised)</i>	6.00	0.50	3.00
14	At Risk – Poverty	180.00	0.05	9.00
15	Isolated	0.00	0.10	0.00
16	Cross Border Attendance (MT, MN)	0.00	0.20	0.00
17	Data Collection <i>(base ADM)</i>	852.00	0.006	5.11
18	Regional Education Association <i>(base ADM)</i>	852.00	0.004	3.41
19	<i>Alternative Teacher Compensation Program</i>	-	.060	-
20	<b>WEIGHTED ADM TOTAL</b>			<b>1,012.50</b>
21	<b>SCHOOL SIZE WEIGHTING FACTOR</b>		x	<b>1.01</b>
22	<b>WEIGHTED STUDENT UNITS</b>			<b>1,022.63</b>
23	<b>PER STUDENT PAYMENT</b>		x	<b>\$ 3,779.00</b>
24	<b>TOTAL STATE AID PAYMENT</b>			<b>\$3,864,518.77</b>

Recommended Payment Rate Year 1 = \$3,879

Recommended Payment Rate Year 2 = \$3,979

Alternative Teacher Compensation Program becomes effective year 2.

#24 SB 2150

February 2011

**SUMMARY OF ENGROSSED SENATE BILL NO. 2150****Section 1****(Amendment of Section 15.1-07-33)****Student Information System - Statewide  
Coordination - Financial Support - Exemption**

This section directs the Superintendent of Public Instruction to forward that portion of a school district's state aid which is attributable to the acquisition and use of PowerSchool and any related technology support services directly to the Information Technology Department. If the amount forwarded exceeds the cost incurred by the Information Technology Department, it must be returned to the school district as per student payments. This section also allows the Superintendent of Public Instruction to exempt a school district from having to acquire and utilize PowerSchool if the school district demonstrates that it is using a comparable system in accordance with Bureau of Indian Education requirements.

**Section 2****(Amendment of Section 15.1-09-58)****Early Childhood Education -  
Authorization - Support**

This section authorizes the board of a school district to support an early childhood education program with local tax revenues, other than those necessary to support the district's kindergarten program and the provision of elementary and high school educational services, as well as state and federal money, and gifts, grants, and donations.

**Section 3****(Amendment of Section 15.1-09.1-02)****Regional Education Association - Joint  
Powers Agreement - Review by  
Superintendent of Public Instruction - Criteria**

This section removes the list of administrative functions and student services that were statutorily required of a regional education association. The section also provides that each member of a regional education association's governing board must be an individual currently serving on the board of a participating school district or the designee of a participating school district's board.

**Section 4****(New Section to Chapter 15.1-09.1)****Regional Education Association -  
Services to Be Offered**

This section requires a regional education association to offer coordination and facilitation of professional development activities for teachers and administrators employed by its member districts; supplementation of technology support services; assistance with achieving school improvement goals

identified by the Superintendent of Public Instruction; assistance with the collection, analysis, and interpretation of student achievement data; and assistance with the expansion and enrichment of curricular offerings.

**Section 5****(New Section to Chapter 15.1-18.2)****Professional Development Advisory  
Committee - Compensation of Members**

This section provides expense reimbursement for members of the Professional Development Advisory Committee.

**Section 6****(Amendment of Section 15.1-20-01)****Compulsory Attendance**

This section provides that a student's formal schooling must begin with a kindergarten program that meets the requirements of Section 15.1-22-02 and must include all other grades from 1 through 12. The section sets the ages of compulsory attendance at 6 and 16 through June 30, 2015, and at 6 and 17 thereafter.

**Section 7****(Amendment of Section 15.1-21-02.1)****High School Diploma -  
Minimum Requirements**

This section clarifies that in order to obtain a high school diploma, a student must have successfully completed the statutorily required 22 units of high school coursework and any additional units required by the entity issuing the diploma.

**Section 8****(New Section to Chapter 15.1-21)****High School Graduation -  
Minimum Requirements**

This section articulates the 22 units of high school coursework which constitute the minimum requirement for high school graduation.

**Section 9****(Amendment of Section 15.1-21-02.4)****North Dakota Career and  
Technical Education Scholarship**

This section clarifies the requirements for a North Dakota career and technical education scholarship and provides that the requirements for a 3.0 grade point average (GPA) may be calculated using all high school units in which the student was enrolled or only the statutorily required units. The section also allows a student to select American sign language from one of the required categories.

A

**Section 10**  
**(Amendment of Section 15.1-21-02.5)**  
**North Dakota Academic Scholarship**

This section clarifies the requirements for a North Dakota academic scholarship and provides that the requirements for a 3.0 GPA may be calculated using all high school units in which the student was enrolled or only the statutorily required units. The section also allows a student to take American sign language rather than two units of the same foreign or Native American language.

**Section 11**  
**(Amendment of Section 15.1-21-02.6)**  
**North Dakota Scholarship -**  
**Amount - Applicability**

This section provides that if a student meets the statutory requirements for a scholarship, the student is entitled to receive \$1,500 at the beginning of the student's first year of higher education. Beginning with the student's second year of higher education, the scholarship amount is \$750 per semester and is payable provided the student maintains a cumulative GPA of 2.75 and maintains enrollment in a minimum of 15 hours. If at the conclusion of the student's first year, or any semester thereafter, a student has failed to meet the requirements for a scholarship, the student, at the conclusion of the ensuing semester, may apply to the State Board of Higher Education for reinstatement of the scholarship. If a student fails to meet the statutory requirements for a second time, that student may not receive any additional scholarships under this section. The State Board of Higher Education is directed to monitor the academic performance of each scholarship recipient and to provide notification to the recipient within five days if the recipient has failed to meet the statutory requirements.

**Section 12**  
**(New Section to Chapter 15.1-21)**  
**North Dakota Scholarship Fund - Biannual**  
**Transfer - Continuing Appropriation**

This section requires the State Treasurer to biannually transfer from the interest and income of the lands and minerals trust fund to the North Dakota scholarship fund the amount necessary to provide the North Dakota academic scholarships and the North Dakota career and technical education scholarships.

**Section 13**  
**(Amendment of Section 15.1-21-08)**  
**Reading, Mathematics, and Science -**  
**Administration of Test**

This section removes date-specific language related to the administration of the state assessments.

**Section 14**  
**(Amendment of Section 15.1-21-18)**  
**Career Interest Inventory - Educational**  
**and Career Planning - Consultation**

This section requires each school district to provide students in grade 7 or 8 with an individual consultative process or a nine-week course, for the purpose of discussing the results of their career interest inventory, selecting high school courses appropriate to their educational pursuits and career interests, and developing individual high school education plans. The section requires each school district to notify students that they are entitled to a consultative review at least once during each high school grade and to provide the consultative review when requested to do so.

**Section 15**  
**(Amendment of Section 15.1-21-19)**  
**Summative Assessment - Selection -**  
**Cost - Exemptions**

This section provides that a student who takes the ACT must take the writing portion as well and further provides that the cost is to be borne by the state.

**Section 16**  
**(Amendment of Section 15.1-22-01)**  
**Kindergarten - Establishment by Board -**  
**Request by Parent - Levy**

This section requires the board of a school district to provide at least a half-day kindergarten program or pay the tuition for a student to attend at least a half-day kindergarten program in another school district.

**Section 17**  
**(Amendment of Section 15.1-27-03.1)**  
**Weighted Average Daily**  
**Membership - Determination**

This section clarifies English language learner proficiency categories, provides that the English language learner weighting factor is not applicable to students who have been in the third of six proficiency categories for more than three years, and sets 0.10 as the factor for students enrolled in certain isolated school districts. The section also sets 0.006 as the factor for students enrolled in school districts that have or are in the process of acquiring PowerSchool.

**Section 18**  
**(Amendment of Section 15.1-27-03.1 -**  
**Effective as of July 1, 2013)**  
**Weighted Average Daily**  
**Membership - Determination**

Beginning July 1, 2013, this section establishes a weighting factor of 0.20 for students in grades 6 through 8 who are enrolled in an alternative education program for at least an average of 15 hours per week.

**Section 19****(Amendment of Section 15.1-27-04)****Per Student Payment Rate**

This section sets the per student payment rate at \$3,961 for both years of the biennium.

**Section 20****(Amendment of Section 15.1-27-07.2)****Baseline Funding - Determination -****Minimum and Maximum Allowable Increases**

This section provides that the total amount of state aid payable to a district per weighted student unit, less any amount received as equity payments per weighted student unit, may not exceed a maximum of 142 percent of the baseline funding for the 2011-12 school year. No maximum is established for any year thereafter.

**Section 21****(Amendment of Section 15.1-27-11)****Equity Payments**

This section provides that in determining the statewide average imputed taxable valuation per student for purposes of equity payments, the Superintendent of Public Instruction may not include any school district, which if included in the calculation would have an imputed taxable valuation per student that is three times greater than the statewide average imputed taxable valuation per student and any school district, which if included in the calculation would have an imputed taxable valuation per student that is less than one-fifth of the statewide average imputed taxable valuation per student. In addition, the section clarifies the determination of imputed taxable valuation by providing that the divisor is to be the district's general fund mill levy for taxable year 2008.

**Section 22****(Amendment of Section 15.1-27-35.3)****Payments to School Districts -  
Unobligated General Fund Balance**

This section provides that federal education jobs fund program money received by a school district may not be included in a district's unobligated general fund balance for purposes of determining state aid.

**Section 23****(Amendment of Section 15.1-37-01)****Early Childhood Education Program -  
Approval**

This section limits enrollment in approved early childhood education programs to students who have reached age 4 before August first of the year of enrollment.

**Section 24****Isolated Schools - Transition Payments**

This section provides transition payments to school districts that had been receiving additional payments because they contained an isolated school but which do not qualify for the isolated payment factor, as proposed under this Act.

**Section 25****Transportation Grants - Distribution**

This section increases state transportation aid to \$1.03 per mile for schoolbuses having a capacity of 10 or more passengers, \$0.46 per mile for vehicles having a capacity of 9 or fewer passengers, \$0.46 per mile one way for family transportation, and \$0.26 per student for each one-way trip. If any money provided for transportation payments remain after application of the formula, the money is to be prorated as transportation payments.

**Section 26****Federal Education Jobs Fund  
Program Grants - Allowable Uses**

This section establishes the allowable uses for any federal education jobs fund program grants that may be received by school districts.

**Section 27****Use of New Money - Teacher  
Compensation Increases -****Report to the Legislative Management**

This section requires the board of each school district to use at least 70 percent of all new money received as per student payments to increase the compensation paid to teachers and to provide compensation to teachers who begin employment with the district on or after July 1, 2011. The section also lists various payments and money that may not be included in the determination of new money.

**Section 28****Regional Education Associations - Grants**

This section authorizes the Superintendent of Public Instruction to expend up to \$800,000 from the state school aid line item for the purpose of providing grants to eligible regional education associations in order to assist them with the cost of compensating coordinators. The maximum grant payable to a regional education association under this section during each year of the biennium is the lesser of \$50,000 or 70 percent of the total compensation payable to the coordinator.



**Section 29**  
**Appropriation - Child Development**  
**Associate Credential**

This section appropriates \$150,000 to the Department of Commerce for the purpose of providing \$1,200 grants on behalf of individuals seeking a child development associate credential.

**Section 30**  
**Appropriation - Alternative Education**

This section appropriates \$460,000 to the Superintendent of Public Instruction for the purpose of providing payments to eligible school districts that offer alternative education programs to students in grades 6 through 8.

**Section 31**  
**Appropriation - School District**  
**Deferred Maintenance and Physical**  
**Plant Improvement Grants**

This section appropriates \$7 million to the Superintendent of Public Instruction for the purpose of awarding deferred maintenance and physical plant improvement grants to school districts. The distributions are contingent upon state general fund balances on specific dates.

**Section 32**  
**Contingent Money**

This section provides that if any money appropriated to the Superintendent of Public Instruction for state aid payments to school districts remains after the Superintendent complies with all statutory payment obligations imposed for the biennium, the money must be used to provide additional per student payments on a prorated basis.

**Section 33**  
**Contingent Transfer by Bank of**  
**North Dakota for Special Education**

This section provides that if there are insufficient funds with which to fully reimburse school districts for the excess costs of serving the 1 percent of special education students statewide who require the greatest school district expenditures, the Industrial Commission shall transfer the necessary amount from the Bank of North Dakota. Legislation requesting reimbursement of the Bank must be introduced during the 2013 session.

**Section 34**  
**All-Day Kindergarten - Impact Report**

This section requires each school district that provided full-day kindergarten during the previous school year to file a report with the Superintendent of Public Instruction indicating the nature and extent of any measurable academic growth experienced by the students who were enrolled in the program.

**Section 35**  
**Legislative Management Study -**  
**Teacher Compensation**

This section directs the Legislative Management to consider studying ways to reform the manner in which teacher compensation is determined, with a view to recruiting, developing, and retaining a high-quality teaching workforce capable of significantly improving student performance.

**Section 36**  
**Repeal**

This section repeals Section 15.1-27-15, which pertains to isolated schools.

**Section 37**  
**Effective Date**

This section makes Section 18 effective on July 1, 2013.

SW 2150  
SB

Prepared by the Legislative Council staff  
for Senate Appropriations  
February 11, 2011

LISTING OF PROPOSED CHANGES TO SENATE BILL NO. 2013

Department: Department of Public Instruction

Proposed funding changes:

Description	FTE	General Fund	Special Funds	Total
1 Increase funding for grants to the Museum of Art to provide a total of \$380,000		\$20,000		\$20,000
2 Increase funding for grants to the Red River Writing Project to provide a total of \$75,000		\$5,000		\$5,000
3 Increase funding for grants to the Young Entrepreneur Education Program to provide a total of \$120,000		\$10,000		\$10,000
4 Increase funding for adult education grants to provide a total of \$2,050,000		\$200,000		\$200,000
5 Change the source of the one-time funding for an Education Standards and Practices Board approval and accreditation mainframe rewrite to provide funding from the national board certification fund		(\$200,000)	\$200,000	\$0
6 Change the funding source of the national board certification program to provide funding from the national board certification fund		(\$185,000)	\$185,000	\$0
7 Provide additional funding from the national board certification fund for an increase in operating expenses related to the cost of administering the ACT to all 11th grade students to provide a total of \$778,400, of which \$678,400 is from the general fund			\$100,000	\$100,000
8 Remove funding for Alternative Teacher Compensation System Review Panel and contracted program adviser		(\$300,000)		(\$300,000)
Total proposed funding changes		<u>(\$450,000)</u>	<u>\$485,000</u>	<u>\$35,000</u>

Other proposed changes:

- 1 Add a section to provide any funds remaining in the national board certification fund at the end of the 2011-13 biennium be transferred to the general fund
- 2 Add a section regarding regional education association grants with language transferred from Section 28 of Senate Bill No. 2150
- 3 Add a section regarding alternative education programs with language transferred from Section 30 of Senate Bill No. 2150.

B

**LISTING OF PROPOSED CHANGES TO SENATE BILL NO. 2013**

**Department: North Dakota Vision Services - School for the Blind**

**Proposed funding changes:**

Description	FTE	General Fund	Special Funds	Total
1 Remove contingent one-time funding for salary and operating expenses (\$150,000) and remodeling and improvement costs (\$150,000) necessary to accommodate a new tenant in the school building		(\$300,000)		(\$300,000)
2 Add funding to purchase a tractor		\$17,000		\$17,000
		<u>(\$283,000)</u>	<u>\$0</u>	<u>(\$283,000)</u>

Total proposed funding changes

**Other proposed changes:**

- 1 None

LISTING OF PROPOSED CHANGES TO SENATE BILL NO: 2150

Proposed funding changes:	Description	FTE	General Fund	Special Funds	Total	
1	Remove Section 29, including funding appropriated to the Department of Commerce for child development associate credential grants		(\$150,000)			
2	Remove Section 30, including appropriation to the Department of Public Instruction for alternative education programs (Move language regarding the program to Senate Bill No. 2013)		(\$460,000)			
Total proposed funding changes					(\$610,000)	\$0

Other proposed changes:

- 1 Add language establishing the teacher support program. Sections 6, 7, and 8 of the original bill were removed in the engrossed bill.
- 2 Amend Section 26 regarding Federal Education Jobs Fund Program Grants to comply with allowable uses of the federal funding.
- 3 Remove Section 28 relating to regional education association grants and include language in Senate Bill No. 2013

**Testimony in Support of Engrossed Senate Bill No. 2150**  
**Senate Appropriations Committee**  
**February 14, 2011**

Chairman Holmberg and members of the Senate Appropriations Committee, I am Joe Morrissette from the Office of Management and Budget and I would like to offer testimony in support of Engrossed Senate Bill No. 2150. My testimony will address only the sections of the bill that have a fiscal impact and a relationship to the Department of Public Instruction (DPI) budget contained in Senate Bill No. 2013.

PowerSchool – Section 1 provides that DPI will reimburse the Information Technology Department for costs associated with school district acquisition, implementation and utilization of PowerSchool. The state school aid line in SB2013 contains \$3 million for this reimbursement, the amount estimated to be generated by the .006 data collection factor included in the school district weighting factors in sections 17 and 18. The costs are offset by a \$2.4 million general fund reduction in the recommended budget for ITD.

Regional education associations (REA's) – Sections 3 and 4 identify services to be offered by REA's. Section 28 of the bill provides that \$800,000 of the state school aid line included in SB2013 be used to provide grants of \$50,000 per year to each of the state's 8 REA's to support 70 percent of the cost of hiring a coordinator. This funding is included in SB2013 as introduced.

Professional development advisory committee – Section 5 provides that members of the professional development advisory committee established by the 2009 legislature are entitled to expense reimbursement. The bill as introduced also provided for compensation of \$135 per day payable to each member of the committee. The operating expenses line in SB2013 includes \$122,000 for compensation and expenses associated with the professional development advisory committee. The removal of the compensation provisions in SB2150 will reduce estimated costs by approximately \$30,000.

Teacher support program – Sections 6, 7, and 8 of the bill as introduced provided for the continuation of the teacher support or mentorship program administered by the Education Standards and Practices Board. The other grants line in SB2013 includes \$2.3 million for the continuation of this program. It is my understanding that these sections were inadvertently removed in the Senate Education Committee amendments and should be reinstated.

Compulsory attendance ages – Section 6, which was added by Senate Education, changes the ages for compulsory school attendance from 7 to 16 years of age to 6 to 17 years of age. This change is not effective until July 1, 2015, so there is no fiscal impact for the 2011-13 biennium.

North Dakota scholarship fund – Section 12 provides a permanent funding source for the North Dakota scholarship program. The North Dakota scholarship fund is created and required funding is transferred once each semester from the lands and minerals trust fund. Moneys in the scholarship fund are appropriated on a continuing basis to the State Board of Higher Education.

ACT testing – Section 15 provides that DPI will pay the cost of administering the ACT test to all 11<sup>th</sup> grade students and the test is expanded to include the writing component. Included in the operating expenses line of SB2013 is \$678,400 for the cost of this test. It was recently determined that the actual amount required will likely be \$810,000 for the 2011-13 biennium, \$131,600 more than the amount included in the executive budget. DPI is statutorily required to pay these costs and I request that you consider adding \$131,600 to SB2013 to provide full funding for this testing. It should be noted that the \$30,000 savings I mentioned earlier relating to the professional development advisory committee is also contained in the operating expenses line in SB2013 and consequently will offset a portion of this shortfall.

Weighting factors – Sections 17 and 18 provide various changes to the weighting factors.

- Isolated schools – The definition of and weighting factors for isolated schools are changed. Section 24 provides for transition payments for those schools no longer eligible under the new formula. The state school aid line includes approximately \$115,000 for these payments and the added cost of the new factor.
- PowerSchool – A new data collection factor is proposed at .006 to implement PowerSchool and the .002 technology factor is eliminated. The required funding is included in the state school aid line in SB2013.
- Middle school alternative education programs – A new .20 factor was added by Senate Education to support middle school alternative education programs. Because this factor will not take effect until July 1, 2013, there is no fiscal impact for the 2011-13 biennium. Section 30 of the bill was also added to provide an appropriation of \$460,000 to support these programs during the 2011-13 biennium. This appropriation replaces section 30 of the original bill, which provided an appropriation of \$461,500 for a new principal mentoring program. This appropriation is also included in the other grants line in SB2013 although the enabling language dictating the use of the funds for principal mentoring was removed from SB2150.

Per student payment rates – The current per student payment rate is \$3,779. The bill as introduced increased these rates by \$100 per year, to \$3,879 the first year and \$3,979 the second year. The engrossed bill increases payment rates to \$3,971 for both years. This change in payments rates will cost an additional \$7.5 million.

Supplemental teacher compensation - Along with the change in per student payment rates, the Senate Education Committee removed sections 23 through 29 relating to the proposed supplemental teacher effectiveness compensation program. This program was included in the executive budget at an estimated cost of \$7.5 million. The removal of the supplemental teacher compensation program and the increase in per student payment rates offset each other and therefore no change is required to the school aid line in SB2013. However, it should be noted that SB2013 includes a \$300,000 line item for costs associated with the proposed review panel required for administration of the supplemental teacher compensation program.

School district fund balance – Section 22 provides an important exemption to the excess fund balance deduct provisions. No deduction to state aid payments is made if a school district's excess fund balance

is a result of moneys received through the federal Education Jobs Fund program. This funding is appropriated in a special line in SB2013 and is anticipated to be made available to school districts late in the 2010-11 school year.

Education Jobs Fund uses – Section 26, added by Senate Education, attempts to restrict the use of federal Education Jobs fund moneys received by school districts. Federal regulations from the U.S. Department of Education clearly indicate that a state cannot place restrictions on the use of these moneys by school districts. Regulations limit the use of these moneys to teacher compensation and benefit expenses. I ask that you consider removing this section so that the state is in compliance with federal regulations.

Child development associate credential – Section 29 of the bill provides an appropriation of \$150,000 to the Department of Commerce for grants to support childcare workers seeking a child development associate credential. This funding is also included in HB1018, the appropriation bill for the Department of Commerce, which has not yet been acted on by the House.

School district deferred maintenance – Section 31, added by Senate Education, provides a contingent general fund appropriation of \$7 million for deferred maintenance and plant improvement grants. Because this funding will only be triggered if general fund revenues exceed the forecast by \$30 million, there is no anticipated impact for the 2011-13 biennium.

Contingent transfer for special education – Section 33, added by Senate Education, provides for a contingent transfer from the Bank of North Dakota in the event that appropriated funding for special education contracts is not adequate. Funding for special education contracts is included in SB2013 and is increased from \$15.5 million to \$16 million for the 2011-13 biennium. This contingent transfer was also included in 2009 legislation and was inadvertently left out of SB2013 and SB2150 as introduced.

Mr. Chairman and members of the committee, this concludes my testimony. I would be happy to try to answer any questions you have regarding the fiscal effects of SB2150.

## K-12 State School Aid

House Education Committee  
 Pioneer Room  
 March 8, 2011



ND Department of Public Instruction  
 Jerry Coleman  
 Director - School Finance  
 (701)-328-4051  
[jcoleman@nd.gov](mailto:jcoleman@nd.gov)

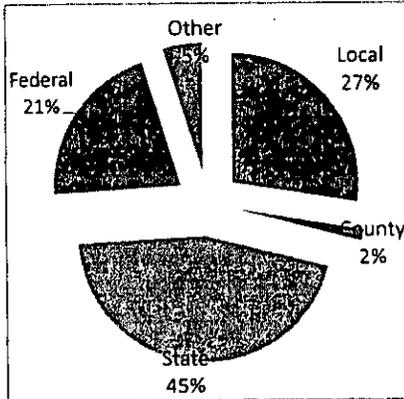
## ND K-12 2010-11 Statistics

	Public Districts	Non-Public	State Institutions	BIE	Sp Ed Units	Vo Ed Centers	Total
LEAG	133	10	4	5	31	10	279
Schools	373	53	4	6	0	0	436
K-12 Enrollment	947,729	61,052	65	1,515	0	0	1,023,359
Licensed Staff	9,756	753	68	230	382	116	11,304
Non-Licensed Staff	5,792	548	73	172	254	46	6,885
Graduates	6,965	342	24	53	0	0	7,384

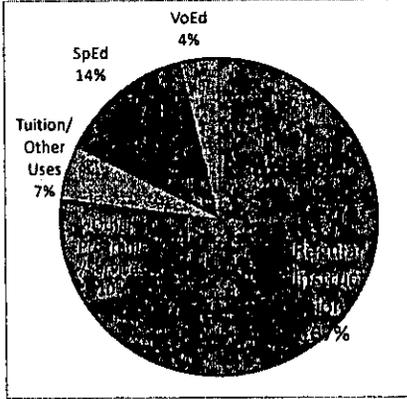


## 2009-10 School District General Fund

District, Unit, Center Revenue - \$1.24 Billion



District, Unit, Center Expenditures - \$1.13 Billion



## New Formula

The 2007 legislature enacted a comprehensive revision of the K-12 state school aid program. It is based on the work done during the interim by the North Dakota Commission on Education Improvement

It provides a framework designed to improve the adequacy and equitable distribution of funding for schools.

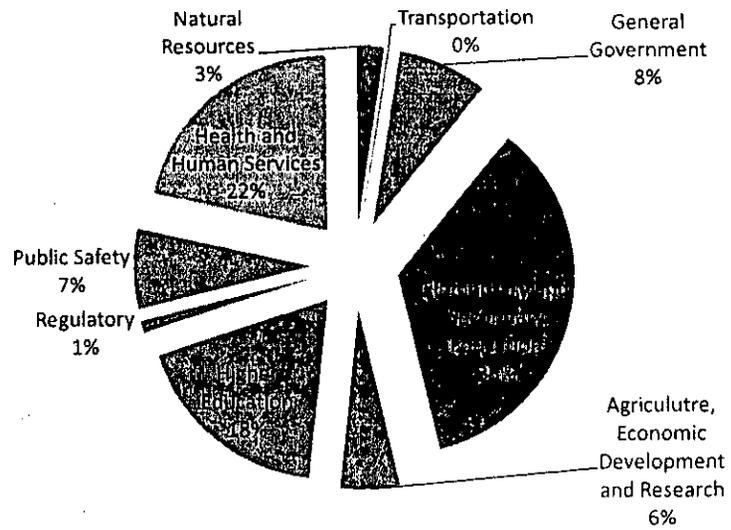
## Funding Changes

- Funding increases of \$200 million over two bienniums
- Another \$100 million recommended for 2011-13
- ARRA one time funding of \$150 million
- State/local funding shift to 70/30 (mill levy reduction program)

## State School Aid Appropriation

	2009-11	2011-13 Rec
- General fund	712,625,918	817,821,478
- Federal ARRA Education Stabilization	85,644,337	
- State tuition fund	86,300,000	101,638,000
<b>*Grants - State School Aid Formula</b>	<b>808,370,295</b>	<b>919,459,478</b>
Grants - Transportation	43,500,000	48,500,000
Grants - Special education contracts	15,500,000	16,000,000
Grants - Supplemental operations	16,795,584	
Grants - Supplemental one-time	85,644,337	
Grants - Mill Levy Reduction	295,000,000	341,790,000
Federal Education Jobs		21,517,716
<b>K-12 State Aid Funding</b>	<b>1,264,810,216</b>	<b>1,347,267,194</b>

### 2009-11 State Gen Fund Appropriation -- \$3.25 Billion



### Line Item Changes

Old Formula	New Formula
– Per Student	– State Aid Formula
– Tuition Apportionment	– Transportation
– Special Education	– Special Ed Student Contracts
– Teacher Compensation	
– Supplemental Revenue	
– Transportation	

## Main Formula Highlights

- Student driven formula
- Weights for school district size
- Weights for special programs and populations
- Equalization adjustments
  - State imputed average taxable valuation per student is the benchmark
  - Less than 90% and greater than 150% are adjusted
- Revenue Worksheet

## Transportation Grants

- Payments are for transporting students to and from school.
  - School buses with capacity 10 and more → 92¢ per mile.
  - Vehicles with capacity less than 10 → 44¢ per mile
  - 24¢ per student for each one-way trip
  - Family Transportation is reimbursed at 40¢ per mile per one way trip minus the first two miles.

## Special Education Contracts

- District liability limits:
  - Agency placed → State Average Cost (\$50 per day)
  - School placed → 4 times State Average Cost (\$200 per day)
- District spending more than 2% of its annual budget on a single special education student are limited to the 2% amount.
- Contracts are processed through special education units.

## NDCC 57-64 Mill Levy Reduction Allocations and Grants

- \$295 million allocated to school districts in the form of mill levy reduction grants with provisions for reducing property tax levies supporting schools.
- In order to be eligible for the grant, school districts must establish a general fund mill levy of 110 mills or less unless:
  - Voters approve a higher levy.
  - The higher levy was approved in a reorganization plan.
  - The higher levy does not exceed the amount allowed for taxable year 2008 reduced by the mill levy reduction grant.
- Grants are based on general fund mills levied over 100 mills (in taxable year 2008) limited to 75 mills times the prior year taxable valuation.

# Data Collection

- STARS and Powerschool
- *Student Level Data*
  - *Membership*
  - *Programs*
  - *Courses*
- *Annual School District Financial Report*
- *Taxable Valuation and Mill Levies*

**Programs & Services**

- 21st Century Community Learning Centers
- Administrative Services
- Adult Education & Literacy
- GED/Displaced Homemaker
- Bilingual & Language Acquisition
- Child Nutrition & Food Distribution
- Coordinated School Health
- Credentialing/Paraprofessional
- Even Start
- Management Information Systems
- Native American Education
- School Approval & Accreditation
- School Finance & Organization
- School Technology
- Section 504
- Special Education
- Standards & Achievement
- Supplemental Programs
- Testing & Assessment
- Title I Programs
- HD School for the Blind
- HD School for the Deaf
- HD State Library

**Resources**

- Grants
- State Standards
- Education Legislation
- Administrative Rules
- Links
- FAQ's



## School Finance & School Organization

Fax - 701-328-2461

<u>School Finance</u>	<u>School Organization</u>
<u>Jerry Coleman, Director</u>	<u>Robert Marthaller, Director</u>
701-328-4051	701-328-2267
<u>Kenneth Steiner, Staff Officer</u>	<u>Cynda Liber, Admin. Assst. III</u>
701-328-1678	701-328-2263

### School District Finance

- [Foundation Aid Payment Reports \(E13340\)](#)
- [School District Responsibility for Resident Students Educated Out-of-District](#)
  - [2008-2009](#)
  - [2007-2008](#)
- [Budgeting Information for 2009-10](#)
  - [Worksheet for Estimating School District Revenue](#)
    - [Excel Spreadsheet ... 2009-10](#)
    - [Excel Spreadsheet ... 2010-11](#)
  - [House Bill 1400 - DPI Policy Bill](#)
  - [House Bill 1013 - DPI Appropriation Bill](#)
  - [2009-2011 - Budget Projection](#)



# STATE AID TO SCHOOLS PAYMENT WORKSHEET

North Dakota Department of Public Instruction  
Office of School Finance and Organization

District Name Devlis Lake 1	County District Number 36-001	Payment Month March	School Year 2010-2011
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**A STATE SOURCES:**

Student membership includes regular school year average daily membership (ADM). ADM for students attending school in Montana and Minnesota (NDCC 15.1-29.01), South Dakota students attending school in North Dakota (NDCC 15.1-29-02.1) under cross border attendance agreements, and students in private or out-of-state placements for purposes other than education (NDCC 15.1-29-14) are also included.

Student Membership	ADM	Weighting Factor	Weighted ADM
1 Pk Special Education	17.80	1.000	17.80
2 Kindergarten	130.45	1.000	130.45
3 Grade 1-6	683.50	1.000	683.50
4 Grade 7-8	266.01	1.000	266.01
5 Grade 9-12	547.33	1.000	547.33
6 Alternative High School	19.38	1.000	19.38
7 Total Average Daily Membership (ADM)			1,664.47

Other Program Membership			
8 Alt High School (from line 6)	19.38	0.250	4.85
9 Special Ed ADM (from line 7)	1,664.47	0.070	116.51
10 PK Special Ed ADM (from line 1)	17.80	0.170	3.03
11 Technology (from line 7)	1,664.47	0.002	3.33
12 Regional Education Association (if member from line 7)	1,664.47	0.004	6.66
13 ELL Level 1	-	0.300	-
14 ELL Level 2	1.00	0.200	0.20
15 ELL Level 3	1.00	0.070	0.07
16 At Risk	-	-	-
17 Home-Education (district supervised)	4.67	0.500	2.34
18 Cross Border Attendance (MN, MT)		0.200	-
Summer Programs			
19 - Summer School	29.30	0.600	17.58
20 - Migrant Summer		1.000	-
21 - Special Ed ESY		1.000	-
Isolated Schools (NDCC 15.1-27-15):			
22 - ADM adjustment		1.000	-
23 - Elementary		0.250	-
24 - High School		0.250	-
25 Total Weighted Average Daily Membership (add lines 7 through 24)			1,819.04
26 School Size Adjustment Factor			1.0000
27 Total Weighted Student Units			1,819.04
28 Per Student Payment Rate			537.79
29 Total Formula Payment			6,874,152.16

Equalization Adjustments			
30 High Valuation Offset (from line 60)			-
31 Subtotal (subtract line 30 from line 29)			6,874,152.16
32 Transition Maximum Adjustment (maximum funding from line 96)	8,350,848.83		-
33 Equity Payment (from line 71)			2,848,955.54
34 Subtotal (add lines 31, 32, and 33)			9,723,107.70
35 Transition Minimum Adjustment (minimum funding from line 93)	7,010,980.35		-
36 State Formula Aid Payment (add lines 34 and 35)			9,723,107.70

District Name Devils Lake 1	County District Number 36-001	Payment Month March	School Year 2010-2011
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State School Aid Summary

- 1 State Aid Formula Payment (from line 36)
- 2 Transportation (from line 87)
- 3 State Child Placement
- 4 Special Education Contracts - Agency
- 5 Special Education Contracts - School Placed
- 6 Special Education Contracts - Boarding
- 7 Special Education - Gifted and Talented
- 8 Mill Levy Reduction
- 9
- 10
- Total State Aid

Entitlement	EFB Offset	Net Entitlement
9,723,107.70	-	9,723,107.70
429,830.40	-	429,830.40
-	-	-
-	-	-
-	-	-
-	-	-
1,667,156.98	-	1,667,156.98
11,820,095.08	-	11,820,095.08

Excess Fund Balance Offset (from line 75)

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District Name Devils Lake 1	County District Number 36-001	Payment Month March	School Year 2010-2011
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**EQUALIZATION ADJUSTMENTS WORKSHEET**

State Averages	Percentage
Statewide Imputed Taxable Valuation Per Student	25,981.39
Minimum Valuation Per Student	90.0% 23,383.25
Maximum Valuation per Student	150% 38,972.09

**B IMPUTED VALUATION PER PUPIL**

	Total Revenue	Percent
37 1300 Tuition	93,701.11	70%
38 2999 County	-	70%
39 US Flood	-	70%
40 REC Gross Receipts	27,805.27	70%
41 Mobile Home	28,331.81	100%
42 Telecommunications	86,459.28	100%
43 Total Additional Revenue		199,845.56
44 2008 Combined Education Mill Rate		188.00
45 Imputed Additional Valuation		1,063,008.30
46 Taxable Valuation		22,457,948.00
47 Total Imputed Taxable Valuation		23,520,956.30
48 Average Daily Membership (from line 7)		1,664.47
49 ADM Adjustment		-
50 Total Adjusted Average Daily Membership		1,664.47
51 District Imputed Taxable Valuation per Student		14,131.20
52 Amount Over Maximum Valuation per Student (complete section C)		-
53 Amount Below Minimum Valuation per Student (complete section D)		9,252.05

**C HIGH VALUATION OFFSET**

54 Amount Over Maximum Valuation per Student (from line 52)	-
55 Total Adjusted Average Daily Membership (from line 50)	1,664.47
56 Total Valuation Over Maximum Valuation	-
57 Adjustment Mill Rate	185.00
58 Total Valuation Subject to Offset	-
59 Reduction Factor	75%
60 High Valuation Offset	-

**D EQUITY PAYMENT**

61 Amount Below Minimum Valuation per Student (from line 53)	9,252.05
62 Total Adjusted Average Daily Membership (from line 50)	1,664.47
63 Missing Valuation	15,399,759.66
64 2008 Combined Education Mill Rate, (limited to 185 mills)	185.00
65 Maximum Support Payment	2,848,955.54
66 Minimum Levy Deduction (mills levied below 185 x taxable valuation)	-
67 Adjusted Support Payment	2,848,955.54
68 Local Levy Effort (mills levied x taxable valuation)	4,222,094.22
69 Maximum Support Payment (lesser of line 67 and line 68)	2,848,955.54
70 Low Valuation Adjustment	-
71 Equity Payment	2,848,955.54

**E EXCESS FUND BALANCE OFFSET**

72 General Fund Ending Balance	2,596,048.61
73 General Fund Expenditures	19,376,289.11
74 45% of General Fund Expenditures - \$20,000	8,739,330.10
75 Excess Fund Balance Offset (line 72 minus line 74, if less than zero enter zero)	-

District Name Devils Lake 1	County District Number 36-001	Payment Month March	School Year 2010-2011
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**F TRANSPORTATION WORKSHEET**

Transportation Statistics	Rate	Miles	Rides	Total
76 Small Bus Miles	0.440	0.0	xxxxx	-
77 Large Bus Miles	0.920	330,352.0	xxxxx	303,923.84
78 Rural Rides	0.240	xxxxx	312,974	75,113.76
79 Small In-City Miles	0.440	0.0	xxxxx	-
80 Large In-City Miles	0.920	4,844.0	xxxxx	4,456.48
81 In-City Rides	0.240	xxxxx	193,068	46,336.32
82 Family - To School	0.200	0.0	xxxxx	-
83 Family - To Bus	0.200	0.0	xxxxx	-
84 Not Reimbursable		0.0	xxxxx	
85 Total Transportation Reimbursement				429,830.40
86 Reimbursement Cap --- 90% of transportation expenditures				738,915.06
87 Block Grant Total (lesser of 90% cap or total)				429,830.40

**G BASELINE FUNDING - MINIMUM AND MAXIMUM PAYMENTS**

State aid received by the school district for the 2006-2007 school year less transportation aid, special education excess cost reimbursements, special education contracts, prior year funding adjustments, and per student payments for participation in education associations governed by joint powers agreements.

88 Baseline Funding (2006-2007 State Aid Payments)	6,380,089.80
89 Weighted Student Units 2007-2008	1,862.27
90 Baseline funding per student	3,425.97
91 Minimum Increase	1,125.00
92 Minimum funding per student	3,854.22
93 Minimum payment	7,010,980.35
94 Maximum Increase	1,340.00
95 Maximum funding per student	4,590.80
96 Maximum payment	8,350,848.83

District Data  
School Year Set up

## Factor Tables

K-12 Weighting Factors - High School Districts					2010-11	Districts	ADM	
Tier 1	0	0-185	ADM	1.25	4,723.75	Tier 1	57	6,682
Tier 2	185	185-200	ADM	1.24	4,685.96	Tier 2	83	28,154
	200	200-215	ADM	1.23	4,648.17			
	215	215-230	ADM	1.22	4,610.38			
	230	230-245	ADM	1.21	4,572.59			
	245	245-260	ADM	1.20	4,534.80			
	260	260-270	ADM	1.19	4,497.01			
	270	270-275	ADM	1.18	4,459.22			
	275	275-280	ADM	1.17	4,421.43			
	280	280-285	ADM	1.16	4,383.64			
	285	285-290	ADM	1.15	4,345.85			
	290	290-295	ADM	1.14	4,308.06			
	295	295-300	ADM	1.13	4,270.27			
	300	300-305	ADM	1.12	4,232.48			
	305	305-310	ADM	1.11	4,194.69			
	310	310-320	ADM	1.10	4,156.90			
	320	320-335	ADM	1.09	4,119.11			
	335	335-350	ADM	1.08	4,081.32			
	350	350-360	ADM	1.07	4,043.53			
	360	360-370	ADM	1.06	4,005.74			
	370	370-380	ADM	1.05	3,967.95			
380	380-390	ADM	1.04	3,930.16				
390	390-400	ADM	1.03	3,892.37				
400	400-600	ADM	1.02	3,854.58				
600	600-900	ADM	1.01	3,816.79				
Tier 3	900	Over 900	ADM	1.00	3,779.00	Tier 3	13	57,615
<b>K-8 Weighting Factors - Elementary Districts</b>								
Tier 1	0	0-125	ADM	1.25	4,723.75	Tier 1	27	925
Tier 2	125	125-200	ADM	1.17	4,421.43	Tier 2	3	450
Tier 3	200	Over 200	ADM	1.00	3,779.00	Tier 3	1	207
					<b>Total</b>		<b>184</b>	<b>94,033</b>

State Aid Formula Report  
2010-2011 payment year projection

CDDist	Entity Name	ADM	wsu	Total Formula Amount	High Valuation Offset	Transition Maximum	Equity Payment	Transition Minimum	EFB Offset	State Formula Payment	Transportation	Mill Levy Reduction Grants
01-013	Hettinger 13	273.58	349.69	1,321,479	-	-	-	-	-	1,321,479	95,254	473,370
02-002	Valley City 2	1,091.50	1,193.48	4,510,161	-	-	266,643	-	-	4,776,804	136,305	1,745,581
02-007	Barnes County North 7	299.22	402.54	1,521,199	(775,376)	-	-	305,978	-	1,051,801	264,747	1,129,504
02-046	Litchville-Marion 46	133.41	180.19	680,938	(403,179)	-	-	234,883	-	512,642	92,751	484,626
03-005	Milnewalkan 5	219.56	288.74	1,091,148	-	-	318,832	-	-	1,409,980	254,517	131,367
03-006	Leeds 6	152.68	206.21	779,268	-	-	-	-	-	779,268	76,519	355,611
03-009	Maddock 9	171.87	231.16	873,554	-	-	-	-	-	873,554	105,524	329,905
03-016	Oberon 16	47.41	63.53	240,080	-	-	-	-	-	236,304	27,727	77,805
03-029	Warwick 29	220.14	289.13	1,092,622	-	(3,776)	211,623	-	-	1,304,245	78,459	74,737
03-030	Fi Totten 30	128.09	194.90	736,527	-	-	123,134	-	-	859,661	146,073	9,162
04-001	Billings Co 1	41.97	56.66	214,118	(214,118)	-	-	2,895	(2,895)	-	-	-
05-001	Boitneau 1	611.34	676.75	2,557,438	(17,113)	-	-	-	-	2,540,325	263,777	1,088,475
05-017	Westhope 17	112.94	153.21	578,981	(71,893)	-	-	-	-	507,087	67,830	265,800
05-054	Newburg-United 54	66.25	106.80	403,597	(403,597)	-	-	197,991	-	197,991	60,273	355,141
06-001	Bowman County 1	401.79	468.28	1,769,630	(257,989)	-	-	34,709	-	1,546,350	171,581	696,234
06-033	Scranton 33	133.64	180.46	681,958	(157,880)	-	-	48,608	-	572,686	105,765	221,037
07-014	Bowbells 14	65.88	89.19	337,049	(240,542)	-	-	152,895	-	249,402	37,614	183,669
07-027	Powers Lake 27	93.12	125.71	475,058	(43,402)	-	-	-	-	431,656	84,819	162,321
07-036	Burke Central 36	77.41	125.14	472,904	(278,021)	-	-	94,207	-	289,090	52,279	269,689
08-001	Bismarck 1	10,708.33	11,883.54	44,907,898	-	-	-	67,976	-	44,907,898	567,059	18,087,517
08-025	Naughton 25	4.85	6.53	24,677	(21,656)	-	-	-	-	70,997	-	21,272
08-028	Wing 28	94.52	136.04	514,095	-	(6,831)	-	-	-	507,265	83,944	138,533
08-029	Baldwin 29	12.00	16.14	60,993	(60,993)	-	-	47,367	-	47,367	1,196	60,371
08-033	Menoken 33	23.24	31.26	118,132	(91,245)	-	-	20,036	-	46,923	1,522	96,615
08-035	Sterling 35	21.67	29.23	110,460	(110,460)	-	-	61,759	-	61,759	54,447	125,155
08-039	Apple Creek 39	55.34	74.43	281,271	(170,454)	-	-	130,571	-	241,388	-	246,256
08-045	Manning 45	6.00	8.06	30,459	(10,361)	-	-	14,768	-	34,865	-	22,004
09-001	Fargo 1	10,460.08	11,430.56	43,196,086	-	-	-	-	-	43,196,086	688,739	18,519,076
09-002	Kindred 2	670.31	733.28	2,771,065	-	-	-	-	-	2,771,065	187,855	971,454
09-004	Maple Valley 4	243.66	323.64	1,223,036	(407,929)	-	-	123,203	-	938,310	166,314	887,129
09-006	West Fargo 6	6,935.29	7,649.21	28,906,365	-	(25,625)	-	-	-	28,880,740	755,012	12,048,721
09-007	Mapleton 7	79.87	107.91	407,792	(156,966)	-	-	142,731	-	393,556	11,007	308,969
09-017	Central Cass 17	803.25	881.05	3,329,488	-	-	-	-	-	3,329,488	190,583	893,536
09-080	Page 80	73.68	99.50	376,011	(218,090)	-	-	148,821	-	306,742	83,209	279,355
09-097	Northern Cass	539.15	596.82	2,255,383	-	(102,892)	-	-	-	2,152,491	266,310	934,442
10-019	Munich 19	82.93	136.63	516,325	(247,543)	-	-	108,895	-	377,677	80,513	298,626
10-023	Langdon Area 23	384.62	433.51	1,638,234	(653,291)	-	-	289,030	-	1,273,973	138,866	1,052,829
11-040	Ellendale 40	319.65	380.15	1,436,587	-	-	-	-	-	1,436,587	134,317	759,005

State Aid Formula Report  
2010-2011 payment year projection

CoDist	Entity Name	ADM	wsu	Total Formula Amount	High Valuation Offset	Transition Maximum	Equity Payment	Transition Minimum	EFB Offset	State Formula Payment	Transportation	Mill Levy Reduction Grants
11-041	Oakes 41	471.40	525.12	1,994,428	-	-	-	-	-	1,994,428	140,168	874,881
12-001	Divide County 1	238.94	314.95	1,190,196	(679,129)	-	-	509,456	-	1,020,523	171,685	196,492
13-016	Killdeer 16	368.90	422.48	1,596,552	-	(4,935)	-	-	-	1,591,617	141,623	496,565
13-019	Halliday 19	25.40	34.16	129,091	(129,091)	-	-	98,302	-	98,302	21,847	149,437
13-037	Twin Buttes 37	36.07	58.71	221,865	-	-	34,675	-	-	256,540	138,919	-
14-002	New Rockford-Sheyenne 2	327.06	386.05	1,458,883	-	(39,213)	-	-	-	1,458,883	127,518	482,748
15-006	Hazleton-Moffit-Braddock 6	130.57	176.01	665,142	-	-	-	-	-	625,929	93,314	255,809
15-010	Bakker 10	5.50	7.38	27,889	(27,889)	-	-	344	(344)	-	-	-
15-015	Strasburg 15	140.01	189.46	715,969	-	-	-	-	-	715,969	87,969	219,746
15-036	Linton 36	307.81	367.85	1,390,105	-	-	181,637	-	-	1,571,742	138,538	373,799
16-049	Carrington 49	538.04	592.95	2,240,758	-	-	-	-	-	2,240,758	153,712	823,639
17-003	Beach 3	293.01	366.07	1,379,600	-	-	-	-	-	1,379,600	31,514	255,416
17-006	Lone Tree 6	29.76	40.03	151,273	(88,094)	-	-	45,174	(24,459)	103,895	53,998	109,474
18-001	Grand Forks 1	6,933.94	7,695.20	29,080,161	-	-	-	-	-	29,080,161	423,597	11,078,736
18-044	Larimore 44	452.21	500.72	1,892,221	-	-	270,559	-	-	2,162,780	147,659	618,745
18-061	Thompson 61	407.84	451.83	1,707,466	-	-	287,156	-	-	1,994,622	80,835	571,924
18-125	Manvel 125	142.41	201.91	763,018	-	-	-	-	-	763,018	71,323	332,672
18-127	Emerald 127	81.75	110.95	419,280	-	-	-	-	-	419,280	80,908	178,708
18-128	Midway 128	201.49	270.30	1,021,464	-	-	-	-	-	1,021,464	111,615	503,977
18-129	Northwood 129	235.13	308.14	1,164,461	-	-	-	-	-	1,164,461	95,792	459,626
18-140	Grand Forks AFB 140	-	-	-	-	-	-	-	-	-	-	-
19-018	Roosevelt 18	107.06	143.99	544,138	-	-	-	-	-	544,138	100,268	188,671
19-049	Elgin-New Leipzig 49	142.25	192.18	726,248	-	-	-	-	-	726,248	126,834	333,887
20-007	Midkota 7	108.36	146.54	553,775	(326,162)	-	-	203,090	-	430,703	140,408	478,273
20-018	Griggs County Central 18	271.21	347.01	1,311,351	-	-	-	-	-	1,311,351	132,407	514,195
21-001	Mott-Regent 1	226.37	299.61	1,132,226	-	(36,756)	-	-	-	1,095,470	170,836	493,151
21-009	New England 9	143.64	195.48	738,719	(120,241)	-	-	-	-	618,478	114,969	407,446
22-001	Kidder County 10	375.53	484.90	1,832,437	-	-	-	-	-	1,832,437	227,793	570,100
22-014	Robinson 14	6.00	24.00	90,696	(90,696)	-	-	58,318	(42,583)	15,735	3,675	90,385
23-003	Edgeley 3	218.55	288.59	1,090,582	-	-	-	-	-	1,090,582	103,406	493,626
23-007	Kulm 7	91.63	138.64	523,921	(385,320)	-	-	205,871	-	344,472	84,590	461,748
23-008	LaMoure 8	313.31	373.47	1,411,343	-	-	-	-	-	1,411,343	99,579	420,532
24-002	Napoleon 2	249.86	323.39	1,222,091	-	-	135,011	-	-	1,357,102	102,157	351,381
24-056	Gackle-Streeter 56	86.77	127.39	481,407	(310,756)	-	-	111,730	-	282,380	93,096	306,375
25-001	Velva 1	374.43	431.88	1,632,075	-	-	-	-	-	1,632,075	103,800	551,450
25-014	Anamoose 14	80.39	108.13	408,623	(178,677)	-	-	99,425	-	316,031	66,976	288,330
25-057	Drake 57	77.23	104.60	395,283	-	-	-	-	-	1,404,166	266,057	822,450
25-060	TGU 60	333.91	393.69	1,487,755	-	(83,588)	-	-	-	-	-	-

Department of Public Instruction

State Aid Formula Report  
2010-2011 payment year projection

Code	Entity Name	ADM	wsu	Total Formula Amount	High Valuation Offset	Transition Maximum	Equity Payment	Transition Minimum	EFB Offset	State Formula Payment	Transportation	Mill Levy Reduction Grants
26-004	Zeeland 4	49.25	75.51	285,352	(128,874)	-	-	19,155	-	177,633	36,755	207,448
26-009	Ashley 9	132.00	178.68	675,232	-	-	-	-	-	675,232	97,856	322,521
26-019	Wishke 19	200.07	268.49	1,014,624	-	-	-	-	-	1,014,624	102,933	346,162
27-001	McKenzie Co 1	543.16	599.33	2,264,868	-	-	-	-	-	2,264,868	310,151	643,912
27-002	Alexander 2	63.51	115.74	437,381	(240,156)	-	-	2,494	-	199,719	90,762	217,518
27-014	Yellowstone 14	76.56	110.59	417,920	-	-	-	-	-	417,920	38,226	141,919
27-018	Earl 18	5.00	7.95	30,043	(30,043)	-	-	564	(564)	-	-	-
27-032	Horse Creek 32	3.50	4.70	17,761	(17,761)	-	-	213	(213)	-	-	-
27-036	Mandaree 36	180.70	243.04	918,448	-	-	7,489	133,797	-	1,059,735	47,540	300,432
28-001	Montefiore 1	212.90	281.77	1,064,809	-	-	-	-	-	1,064,809	96,460	300,432
28-004	Washburn 4	270.49	348.60	1,317,359	-	-	-	-	-	1,317,359	69,455	391,974
28-008	Underwood 8	177.75	240.26	907,943	(67,301)	-	-	-	-	840,642	48,784	491,117
28-050	Max 50	161.03	217.68	822,613	-	-	-	-	-	822,613	96,094	258,193
28-051	Garrison 51	318.55	381.62	1,442,142	-	(15,929)	-	-	-	1,426,213	100,397	590,815
28-072	Turtle Lake-Mercer 72	160.51	216.45	817,965	(31,203)	-	-	-	-	786,762	104,838	379,490
28-085	White Shield 85	125.35	171.23	647,078	-	-	120,500	-	-	767,579	3,340	27,371
29-003	Hazen 3	584.06	648.31	2,449,963	-	-	573,640	-	-	3,023,604	100,290	494,099
29-027	Beulah 27	675.00	741.94	2,803,791	-	-	-	-	-	2,803,791	191,178	886,943
30-001	Mandan 1	3,225.56	3,536.48	13,364,358	-	-	2,386,885	-	-	15,751,242	502,544	4,365,491
30-004	Little Heart 4	9.34	12.56	47,464	(47,464)	-	-	40,297	-	40,297	877	60,371
30-013	Hebron 13	167.20	227.38	859,269	-	(12,472)	-	-	-	846,797	74,194	264,866
30-017	Sweet Briar 17	9.52	12.81	48,409	(26,077)	-	-	14,848	-	37,180	-	19,258
30-039	Flasher 39	202.89	270.32	1,021,539	-	-	196,476	-	-	1,218,015	189,430	257,322
30-048	Glen Ullin 48	151.49	203.75	769,971	-	-	-	-	-	769,971	94,084	339,930
30-049	New Salem - Almont 49	309.66	371.76	1,404,881	-	-	-	-	-	1,404,881	150,416	341,059
31-001	New Town 1	727.18	807.87	3,052,941	(3,052,941)	-	-	3,212,350	(3,212,350)	-	-	-
31-002	Stanley 2	409.93	451.80	1,707,352	-	-	-	-	-	1,707,352	249,516	634,135
31-003	Parshall 3	277.16	349.78	1,321,819	-	(9,182)	-	-	(1,304,068)	8,569	84,946	334,563
32-001	Dakota Prairie 1	280.38	353.98	1,337,690	(169,232)	-	-	-	-	1,168,459	279,490	874,498
32-066	Lakota 66	196.65	264.65	1,000,112	-	-	-	-	-	1,000,112	94,570	386,219
33-001	Center-Stanton 1	194.97	260.33	983,787	(202,125)	-	-	197,306	-	978,988	129,228	512,139
34-006	Cavalier 6	379.33	435.12	1,644,318	(139,353)	-	-	-	-	1,644,318	67,996	683,331
34-019	Drayton 19	130.31	175.48	663,139	(59,070)	-	-	24,839	-	523,766	48,620	436,521
34-043	St Thomas 43	76.69	106.01	400,612	-	(67,797)	-	-	-	366,380	4,319	245,429
34-100	North Border 100	464.65	545.56	2,061,671	-	-	-	-	-	1,993,875	168,045	1,080,004
34-118	Valley-Edinburg 118	239.15	323.65	1,223,073	-	-	-	-	-	1,223,073	130,328	494,364
35-001	Wolford 1	43.97	76.71	289,887	(13,844)	-	-	-	-	276,043	24,469	131,109
35-005	Rugby 5	560.38	617.58	2,333,835	-	-	193,876	-	-	2,527,711	191,964	862,530

State Aid Formula Report  
2010-2011 payment year projection

CoDist	Entity Name	ADM	wsu	Total Formula Amount	High Valuation Offset	Transition Maximum	Equity Payment	Transition Minimum	EFB Offset	State Formula Payment	Transportation	Mill Levy Reduction Grants
36-001	Devils Lake 1	1,664.47	1,819.04	6,874.152	-	-	2,848.956	-	-	9,723.108	429,830	1,667,157
36-002	Edmore 2	69.55	93.55	353,525	(353,525)	-	-	163,865	(7,689)	166,176	73,989	258,454
36-044	Starkweather 44	81.72	122.59	463,268	-	-	-	-	-	463,268	59,518	228,865
37-006	Ft Ransom 6	25.90	34.91	131,925	(87,340)	-	-	57,642	(3,588)	98,639	33,826	118,952
37-019	Lisbon 19	627.70	690.82	2,610,609	-	-	666,084	-	-	3,276,693	124,389	779,079
37-024	Enderlin Area 24	310.36	377.81	1,427,744	-	-	-	-	-	1,427,744	113,829	555,194
38-001	Mohall-Lansford-Sherwood	340.71	409.67	1,548,143	-	(63,880)	-	-	-	1,484,263	189,483	712,194
38-026	Glenburn 26	248.21	321.24	1,213,966	-	-	-	-	-	1,213,966	127,900	336,582
39-008	Hankinson 8	283.18	357.05	1,349,292	-	(15,018)	-	-	-	1,334,274	81,068	525,537
39-018	Fairmount 18	120.08	161.70	611,064	-	(94,543)	-	-	-	516,522	32,847	322,133
39-028	Lidgerwood 28	174.76	235.88	891,391	-	-	-	-	-	891,391	62,889	311,229
39-037	Wahpeton 37	1,207.46	1,331.25	5,030,794	-	-	775,989	-	-	5,806,783	175,641	1,742,462
39-042	Wynndere 42	209.61	278.89	1,053,925	-	(24,523)	-	-	-	1,029,403	118,571	453,934
39-044	Richland 44	292.01	362.88	1,371,324	-	-	-	-	-	1,371,324	178,847	492,620
40-001	Dunseith 1	581.08	642.10	2,426,496	-	-	558,599	-	-	2,985,095	165,460	101,917
40-003	St John 3	352.97	408.53	1,543,835	-	-	339,314	-	-	1,883,149	175,625	53,188
40-004	Mt Pleasant 4	231.48	303.43	1,146,662	-	-	98,075	-	-	1,244,736	21,927	328,052
40-007	Belcourt 7	1,574.92	1,719.50	6,497,991	-	-	1,513,989	-	-	8,011,979	346,746	-
40-029	Rollette 29	132.95	179.29	677,537	-	-	-	-	-	677,537	60,924	229,026
41-002	Millnor 2	234.92	309.65	1,170,167	-	-	268,734	-	(117,109)	1,321,792	59,457	291,730
41-003	North Sargent 3	231.16	307.88	1,163,479	-	-	311,057	-	-	1,474,536	30,168	240,342
41-006	Sargent Central 6	232.81	303.17	1,145,679	-	(70,817)	-	-	-	1,074,862	101,641	649,980
42-016	Goodrich 16	29.29	39.78	150,329	(102,407)	-	-	72,378	-	120,300	32,424	130,783
42-019	McClusky 19	96.97	131.28	496,107	-	(15,377)	-	-	-	480,730	68,875	221,190
43-003	Solen 3	168.97	233.13	880,998	-	-	297,989	-	-	1,178,988	83,889	119,574
43-004	Ft Yates 4	198.14	284.69	1,075,844	-	-	190,474	-	-	1,266,318	104,429	40,283
43-008	Selfridge 8	67.74	107.09	404,693	-	-	414	-	-	405,108	62,545	112,313
44-012	Marmarth 12	18.51	25.65	96,931	(96,931)	-	-	1,166	(1,166)	-	-	-
44-032	Central Elementary 32	3.98	5.36	20,255	(20,255)	-	-	221	(221)	-	-	-
45-001	Dickinson 1	2,637.81	2,886.83	10,905,552	-	-	1,432,758	-	-	12,338,309	174,549	3,747,909
45-009	South Heart 9	202.81	268.42	1,014,359	-	-	-	-	-	1,014,359	126,075	243,108
45-013	Belfield 13	208.69	277.82	1,049,882	-	-	298,558	-	(69,074)	1,279,366	33,460	168,016
45-034	Richardson-Taylor 34	239.74	315.94	1,193,937	-	-	-	-	-	1,193,937	157,269	445,100
46-010	Hope 10	107.30	145.56	550,071	(144,697)	-	-	28,948	(7,470)	434,322	48,421	368,378
46-019	Finley-Sharon 19	156.45	211.28	798,427	(25,595)	(555)	-	-	-	764,807	63,837	453,470
47-001	Jamestown 1	2,167.74	2,377.77	8,985,593	-	-	2,052,425	-	-	11,038,018	341,231	2,854,506
47-003	Medina 3	154.54	208.74	788,828	-	-	-	-	-	788,828	107,184	297,504
47-010	Pingree-Buchanan	132.78	179.51	678,368	-	-	-	-	-	678,368	92,481	276,061

State Aid Formula Report  
2010-2011 payment year projection

CODIST	Entity Name	ADM	WSU	Total Formula Amount	High Valuation Offset	Transition Maximum	Equity Payment	Transition Minimum	EFB Offset	State Formula Payment	Transportation	Mill Levy Reduction Grants
47-014	Montpelier 14	96.04	131.56	497,165	-	-	-	-	-	497,165	67,800	213,654
47-019	Kensal 19	46.09	75.18	284,105	(145,222)	-	-	19,559	-	158,443	36,524	207,893
48-010	North Star 10	250.26	337.72	1,276,244	-	-	-	-	-	1,276,244	111,645	466,544
48-028	North Central 28	34.00	65.80	248,658	(248,658)	-	-	178,212	-	178,212	22,794	257,477
49-003	Central Valley 3	213.42	283.79	1,072,442	-	(32,426)	-	-	-	1,040,017	81,587	395,834
49-007	Hatton 7	191.67	257.96	974,831	-	-	-	-	-	974,831	52,076	361,953
49-009	Hillsboro 9	392.08	445.17	1,682,297	-	(17,473)	-	-	-	1,664,825	87,446	823,681
49-014	May-Port CG 14	524.04	578.57	2,186,416	-	-	-	-	-	2,186,416	127,418	898,750
50-003	Grafton 3	828.74	955.66	3,611,439	-	-	1,432,745	-	-	5,044,184	110,126	818,959
50-005	Fordville-Lankin 5	65.81	88.89	335,915	(175,049)	-	-	142,935	-	303,801	53,192	244,034
50-020	Minto 20	201.08	270.80	1,023,353	-	-	62,373	-	-	1,085,726	53,353	311,296
50-078	Park River 78	401.75	448.33	1,694,239	-	-	427,897	-	-	2,122,136	106,287	499,500
50-128	Adams 128	48.04	64.61	244,161	(38,290)	-	-	31,004	-	236,875	62,162	142,858
51-001	Milnot 1	6,740.18	7,388.50	27,921,142	-	-	-	-	(162,020)	27,921,142	290,284	8,488,914
51-004	Nedrose 4	206.96	223.69	845,325	(29,335)	-	407,446	-	-	653,969	93,602	601,240
51-007	United 7	546.58	604.84	2,285,690	-	-	-	-	-	2,693,136	240,954	701,042
51-016	Sawyer 16	131.97	178.95	676,252	-	-	-	-	-	676,252	55,067	238,350
51-028	Kenmare 28	291.25	359.68	1,359,231	-	(52,578)	-	-	-	1,306,653	109,336	600,902
51-041	Surrey 41	346.85	405.50	1,532,385	-	-	629,245	-	-	2,161,630	66,130	331,447
51-070	South Prairie 70	132.62	168.55	636,950	(636,950)	-	-	553,156	-	553,156	106,218	373,877
51-160	Milnot AFB 160	-	-	-	-	-	-	-	-	-	-	-
51-161	Lewis and Clark 161	373.91	424.26	1,603,279	-	(15,956)	-	-	-	1,587,322	239,672	805,449
52-025	Fessenden-Bowdon 25	131.84	177.41	670,432	(476,646)	-	-	256,529	-	450,316	111,938	488,352
52-035	Pleasant Valley 3	12.34	16.59	62,694	(62,694)	-	-	34,534	-	34,534	18,913	59,884
52-038	Harvey 38	407.26	448.69	1,695,600	-	-	-	-	-	1,695,600	133,639	713,039
53-001	Williston 1	2,267.72	2,483.33	9,384,504	-	-	2,636,600	-	-	12,021,105	25,401	2,342,703
53-002	Nesson 2	192.51	257.93	974,717	-	(410)	-	-	-	974,307	95,780	406,445
53-006	Eight Mile 6	182.80	247.88	936,739	(859,080)	-	281,479	-	-	1,218,217	45,589	124,518
53-008	New 8	175.74	227.33	859,080	(859,080)	-	-	555,740	-	555,740	178,264	848,892
53-015	Toga 15	267.07	341.96	1,292,267	(1,021,887)	-	-	860,161	-	1,130,540	115,255	421,688
53-099	Grenora 99	83.34	127.21	486,727	(229,134)	-	-	56,310	-	307,903	50,606	319,504
Statewide		94,033.21	108,292.51	409,237,395	(16,305,297)	64	22,839,335	10,217,256	(4,955,813)	420,220,326	21,073,951	150,107,091
Counts						24	37	54	16			



## SB 2150 – House

### Senator Tim Flakoll

*He/she*  
Chairman and members of the House Education and Appropriations committees.

For the Record I am Senator Tim Flakoll of District 44 of Fargo. I am here today to introduce SB 2150 for your consideration. It is the result of the interim work of the ND Commission on Education Commission. Their work was mandated by the passage of HB 1400 last session and they have spent countless hours over the past two years and you have their work-product in front of you.

Each person that you have on the set list of individuals has a specific topic or purpose. I will also note that this session we have an atypical situation. Governor Dalrymple, as Lt. Governor chaired the ND Commission on Education Improvement. This is a role he has excelled in and the bill is a product of their work. As the bill's prime sponsor I have asked him to complete his work and as a result he will be before the committee today to testify as Governor. A rare situation indeed, but one that keeps his promise to the work he was given to do.

This is a bill that has obtained universally strong support. No one testified against the bill in the Senate and the Senate passed it with a unanimous vote of the full Senate chamber.

**History:**

First let's take a quick step back to remind us of what dramatic progress we have made in past few years.

On January 16, 2003 an amended complaint was filed by nine North Dakota school districts stating that they believed that the state's public school finance system was unconstitutional.

Just four years ago on January 10, 2006 the plaintiff districts and the state agreed that it was desirable for them to stay the action and provide a commission format to capitalize on the opportunity to compromise and resolve the issues of equity and adequacy.

In the 2007 legislative session SB2200 passed overwhelmingly in both chambers and was signed by the Governor. Among its achievements, it provided nearly \$40 million in equity funding so that all school districts were funded at least at 90% of the state-wide average. Having met the requirements of the litigation, the equity lawsuit was dropped.

During the 2009 session we passed HB 1400 which dealt with a number of issues including a uniform curriculum and a plan to reward the students who achieve a higher standard. It is important to note that prior to the 2009 session the state of North Dakota had a specified number of credits/units to graduate but no requirement on what courses should be taken to meet graduation requirements. With the passage of HB1400 we had a comprehensive listing of courses to help insure that students were college ready or work ready.

**Funding Adequacy:**

SB 2150 is in essence the last hurdle in the process of addressing equity and adequacy.

In the past four years we have brought each district up to a funding level equal of at least 90% of the state wide average. We have added a historic system of rigor and rewards. Previously we had silos or funding where now we have a formula where the dollars follow the specific needs of individual students. We have a system with base funding for each student and additional dollars are built on top of that on a student by student basis. The funding formula now reacts by

having the dollars follow the needs on individual children... or as I often call it, mass customization.

In the 2007 and 2009 sessions we had to limit that actual amount of increase an individual district could receive to allow the phasing in of the formula. With SB 2150 we are now have evolved into a position where we can give those districts the actual dollars they are eligible for and deserve.

The history of the cap is as follows:

2007-2008 cap of 107% of the baseline funding per weighted per weighted student unit (base year of 2006-2007). (SB2200 - section 10)

2008-2009 cap of 110% of the baseline funding (SB2200 - section 10)

2009-2010 cap of 120% of the baseline funding (HB1400 - Section 33)

2010-2011 cap of 134% of the baseline funding (HB1400 - Section 33)

2011-2012 cap of 142% of the baseline funding (SB2150 - Section - Section 20)

2012-2013 cap removed (SB2150 – Section 20)

Those districts that have been hitting the cap have waited a number of years for progress to reach the point where we provide them with the dollars they are entitled to and I am pleased that we are completing our obligation with SB2150.

3

**Next my portion of testimony will deal with some of the modifications that the Senate made to the bill as introduced.**

**Section 9**

The next area we modified relates to kindergarten and is found in **Section 9**. We now mandate that children of kindergarten age be enrolled in at least a ½ day program. Our committee felt that if we don't what any "child to be left behind" then we should make sure all students are exposed to more similar academic experiences. Currently we have children age 3 that begin their education experience so their parent's might have them exposed for four years to some type of formal education before they reach first grade. If we wait for others to not experience any type of academic experience until they are a 7 year old in first grade, we have set up a significant variation.

*note that*

6

There were 8,381 reported births in 2005.

A total of 8,295 kg were enrolled in Kg programs in the fall of 2010 (7,446 were public)

➤ 98.97%

86 children – does not account for inflow and outmigration of students

**Section 9** also changes the compulsory age of attendance to 17 years of age starting four and a half years from now in 2015. This effective date long in the future will give districts more than ample time to make any adjustments they need to accommodate that change.

Just to be clear, when the compulsory age of attendance is 16 or 17 that still means that if you graduate prior to that age that you can leave school and no longer need to attend after you graduate.

**Section 12**

CTE Scholarships

Under Section 12 - we added language that will now allow students to take American Sign Language as one of the 5 options to meet the requirements for "focused electives."

This matches the provisions <sup>for</sup> of the Academic scholarships.

**Section #14**

Merit based scholarships were kept at \$1,500/year or \$750/semester.

Eligibility requirements:

First let's remember that this academic year is the first year of the new merit based scholarships.

Both the Senate and the House have recognized that the first year of college is typically the toughest year. This is a result of academic, social and transitional challenges. IN SB 2150 the Senate provided more forgiving requirements for the first year

*Compare to*  
~~than~~ current law.

For the first year we provide them with the full \$1,500. If however after the first term, they do not meet the minimum 2.75 GPA they are sent a warning letter to remind them that they have fallen below the target GPA and the pending consequences if they do not raise their GPA. If they do not receive a 2.75 in their second semester they then are then ineligible for the scholarship for a period of one year.

If after the end of their second year, they have a cumulative 2.75 GPA they may reapply for reinstatement. If they fail to meet the cumulative 2.75 GPA after that point they are not eligible for reinstatement a second time.

In an effort to have students graduate more quickly, we now require that beginning with their second year, that they must take at least 15 credits to be eligible for the scholarship program. Simple math reveals that if a student takes 15 credits instead of 12 units for their sophomore, junior and senior years they will graduate the equivalent of one semester earlier. If they do that increased amount for four years they graduate the equivalent of one year earlier.

That can easily save the student \$15,000 and helps the state by among other things, ~~will~~ <sup>let</sup> get them into the workforce earlier so as to meet our business needs in the state.

Again we feel this change will more briskly move students toward graduation.



Now lets move to weighting factors. The Governor will talk about modifications made by the Commission, but I will note one change the Senate made related to English Language Learner (ELL) students. We now limit the number of years that a student can be on ELL level 3 to three years. We will provide approximately \$300/student in this category and it is felt that if they do not make improvements after 3 years, then a financial solution is not the problem and we should not invest in strategies that do not result in adequate improvements after three years.

In case you are curious, this year there are 838 students in that category #3 and we will spend about \$280/student in our efforts to fix the problem.

Next let me talk about the per student payments.

The Senate ~~Education committee has~~ increased the per student payments from **\$3,779 up to \$3,961 which is a \$182/student increase compared to the current year.** So as you see the bill it has \$3,961 in base funding for each student for both years.

By keeping the payments constant from year one to year two we reduce the cost to continue by about \$12 million.

It is also important to note that we added \$7.5 million to per student payments by taking those dollars from an alternative teacher compensation plan that the Senate did not support and moving those \$7.5 million in funds from a handful of districts to virtually all districts across the state.

Some of that change is accommodated by the removal of the "Alternative Teacher Compensation program" that was in SB2150 as introduced. Overall the alternative compensation program never gained traction in our committee.

While the majority of our committee felt that we would like some type of outcome based funding mechanism, we did not feel that the program as it came to us was the answer.

no

I would also note that the weighting factors we have in the program for small schools size, special education the other weighting factors adds 18.4 cents to each dollar we invest in base payments.

**Contingent money – Section 30**

Rolled any money appropriated for schools for state aid after all statutory obligations are met to provide remaining funds to schools on a per student basis.

**Section 31**

Special education contracts – provided a Bank of ND backstop to ensure that all payment obligations are met for the most expensive students.

**Section 32**

We now have a couple of year<sup>s</sup> of All-Day kindergarten under our belt and we are asking to have each district provide a report on the value that has been created by our investment.

That concludes my testimony. Which was mostly related to some enhancements we made to the bill. I look forward to hearing of the Houses work on the bill as we move forward in this process.

# TESTIMONY ATTACHMENT 2

## TESTIMONY ON REENGROSSED SB 2150

Joint Hearing

House Education Committee

House Appropriations Education and Environment Division

March 15, 2011

By Dr. Wayne G. Sanstead, State Superintendent

701-328-4572

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Good morning Chairman Kelsch and members of the House Education Committee and Chairman Skarphol and members of the House Appropriations Education and Environment Division:

For the record, my name is Dr. Wayne G. Sanstead and I am here in my dual leadership role as a Member of the ND Commission on Education Improvement and as the State Superintendent of the North Dakota Department of Public Instruction. I am here to speak in favor of Re-engrossed Senate Bill No. 2150.

SECTION 22, starting on page 26 of the bill, addresses the per-student payment rate. I support the senate action to increase the per-student rate by \$182 the first year of the biennium, even though it means the loss of funding for the alternative compensation program for teachers. The rate this year is \$3,779 per pupil. The rates for next biennium will move to \$3,961 in 2011-12, and remain at \$3,961 in 2012-13.

It is important to note that over 93% of all State Aid is allocated directly to school districts through the main funding formula. Although the formula is necessarily complex and contains numerous adjustments for district size, special student needs and local ability to raise tax funds, the main driver is the per student payment rate.

The formula will distribute an additional \$94.3 million over last biennium. This includes funding for the implementation of the adequacy initiatives (at-risk, tutors, added contact days and career advisors) that began last biennium and includes additional weighting for special education. The department supports funding for these program initiatives and the other sections included in Re-engrossed Senate Bill 2150. Specifically, Section 5 provides compensation for Members of the Professional

Development Advisory Committee; Section 9 requires mandatory kindergarten; Sections 12 and 13 provide for the continuation of ND scholarship programs; and Section 33 asks Legislative Management to consider studying ways to reform the manner in which teacher compensation is determined. I strongly believe that we need a plan to involve public school teachers, their school boards and members of their local community, in the collaborative development of an alternative compensation program.

We support the Re-engrossed Bill 2150 but would urge that consideration be given to funding the Supplemental Teacher Effectiveness Compensation Pilot Program (STECP). I believe it is important that we go beyond the legislative management study of teacher compensation reform provided for in Section 33. This completes my testimony. Thank you for your attention.

**TESTIMONY ON REENGROSSED SB 2150**  
**Joint Hearing**  
**House Education Committee**  
**House Appropriations Education and Environment Division**  
**March 15, 2011**  
**By Dr. Wayne G. Sanstead, State Superintendent**  
**701-328-4572**

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# ATTACHMENT 3

## Senate Bill 2150 Summary

### Section 1: PowerSchool Funding & Waiver

- The proposed .006 factor is a mechanism to transfer funds from DPI to ITD for the PowerSchool system including purchasing, installing and supporting services related to PowerSchool. This replaces the current general fund appropriation for that purpose. The factor insures that a school will receive funds only if it is implementing PowerSchool.
- The cost of the needed 2 temporary full time employees are computed within the factor for the 2011-2013 biennium only to complete the implementation of the PowerSchool system.
- If the state aid exceeds the amount needed for the use and implementation of PowerSchool, the funds shall be returned to DPI to be redistributed to the school districts in per student payments.
- DPI would be authorized to waive the requirement in the event the district's reporting system is compatible, and all requirements can be met. This waiver is only available to Bureau of Indian Education schools.

### Section 2: Early Childhood Education Authorization

- A school district may establish an early childhood education program and use excess local tax revenues that are not needed for K-12 education. State, federal and donated funds that are specifically for an early childhood program continue to be permissible.
  - **Senate Change:** State moneys specifically appropriated for an early childhood program are separate and distinct from those appropriated for special education early childhood programs, school readiness and parent education programs, and state aid for elementary and secondary education. (funds cannot be co-mingled)

### Section 3: Regional Education Association/Joint Powers Agreement Criteria—Board Membership

- Changes on pages 3 and 4 update language and delete outdated criteria for REA's.
  - **Senate Change:** Allows the school board to appoint a designee to serve in place of the designated school board member.

### Section 4: Regional Education Association—Services offered

- Provides a list of required REA services for all REA's.
- Regional Education Associations will still have the option of including additional services.

### Section 5: Professional Development Advisory Committee

- Provides compensation to the members of the professional development advisory committee.



Section 6: Teacher Support (Mentoring) Program

- ESPB will administer a first-year teacher support (mentoring) program with the assistance of a coordinator.
- Permits school districts and other participating entities to serve non-first year teachers if all other first year needs are met.

Section 7: Teacher Mentoring Program—Services to be offered

- Permits ESPB to provide compensation, including stipends to mentors and experienced teachers who assist first-year and non-first year teachers participating in the program. The board may not spend more than 5% of the moneys for administrative purposes.

Section 8: Teacher Mentoring Program—Service Recipients

- Expands the program to include school districts, special education units, area career and technology education centers, regional education associations, and schools funded by the Bureau of Indian education. Previously only teachers working for school districts were eligible.

Section 9: Compulsory Attendance (Senate Change)

- Changes the age of required attendance to begin school from age seven to age six, effective this fall.
- Changes to seventeen the last year at which a student must attend public school, effective July 1, 2015.
- Updates language to allow a student to enroll at age five, (instead of age six), but prevents the student from withdrawing and re-enrolling in the same year.

Section 10: High School Graduation Diploma Minimum Requirements

- Transfers the requirements required for graduation to a new section.
- Clarifies that school districts may require additional credits for graduation beyond the 22 credits required by the state.

Section 11: High School Graduation Minimum Requirements

- Restates the minimum requirements for high school graduation.

Section 12: CTE Scholarship

- States the requirements to receive a CTE scholarship, and organizes them to parallel graduation requirements.
- Replaces the requirement of obtaining a “B average” to obtaining a 3.0 on a 4.0 grading scale.
  - Senate Change: additional clarifying language

### Section 13: Academic Scholarship

- States the requirements to receive an academic scholarship, and organizes them to parallel graduation requirements.
- Replaces the requirement of obtaining a “B average” to obtaining a 3.0 average on a 4.0 grading scale.
  - **Senate Change:** Allows for ½ credit of dual credit courses to qualify for acceptable requirement credits for the scholarship.

### Section 14: Scholarship Amount

- Adds language to require the SBHE to monitor the academic performance of the scholarship recipients to insure they maintain a 2.75 average in college.
  - **Senate Changes:**
    - Changes distribution of the scholarship to provide \$1500 at the beginning of the first year of college.
    - Each semester after the first year, \$750 will be provided to the student, pending academic requirements are met.
    - Increases requirements for the scholarship to require the student to take a minimum of 15 credits.
    - If at the end of the first semester the student fails to meet a 2.75 GPA, the student will receive a warning letter from the State Board of Higher Education.
    - If the student fails to meet the academic and/or credit requirements and loses the scholarship, the student can apply for reinstatement one time throughout their college career, pending they have increased their GPA and/or credit load.

### Section 15: Scholarship Appropriation

- One time per semester, the SBHE will request transfer of the necessary funds from the interest and other income of the lands and minerals trust fund to the ND scholarship fund.

### Section 16: Reading, Math and Science Test

- One test must be administered annually to students in 3, 4, 5, 6, 7, 8 and 11. The changes reflect an update in language.

### Section 17: Career Interest Planning

- School districts must provide either an individual meeting or 9 week course to discuss the results of their career interest survey as it relates to their education plans. Students may request a consultation on their high school education plan at least once per year.

### Section 18: ACT

- The ACT writing component is added to the required ACT test.
- DPI is responsible for administering and acquiring the test through contract. In the past, the school districts were responsible for this.
- All public and private schools will report: who took the required tests, and who were exempt, including the reason for exemption.
  - **Senate Change:** Requires the writing test for all students who take the WorkKeys assessment.

### Section 19: Half Day Kindergarten (Senate Change)

- Senate Change: School districts shall establish at least a ½ day free public kindergarten program or pay the tuition for a student to attend in another district.

### Section 20: Weighted ADM

- English Language Learner (ELL) categories have been established into 6 categories; funding is provided for the first three categories. No fiscal change.
  - .30 factor for the first of six categories
  - .20 factor for the second of six categories
  - .07 factor for the third of six categories
- .10 factor added for students who are in a district with less than 100 students and in an area greater than 275 square miles. If the school district has an area greater than 600 square miles and less than 50 students, the enrollment will be considered 50 students. This replaces the current program for isolated schools.
- .073 factor for special education ADM.
- .006 factor for PowerSchool.
- Deletes .002 factor for technology.
  - **Senate Change:** Deletes the .06 factor for supplemental teacher compensation.

### Section 21: Alternative Education Factor (Senate Change)

- Beginning July 1, 2013, a weighting factor of .20 will be applied to the formula for students in grades 6-8 who are enrolled in an alternative education program for at least 15 hours per week. (the current formula provides .25 for students enrolled in an alternative high school)

### Section 22: Per Student Rate

- The Commission recommends increasing the per student rate for the first year of the biennium by \$100 for a total of \$3,879. Increases the second year of the biennium by \$100 to \$3979.
  - **Senate Change:** Sets the per student payment at \$3,061 for both years of the biennium.

### Section 23: Minimum and Maximum Funding

- DPI will ensure that the baseline state aid payment to a district per weighted student unit less any amount received as equity payments does not exceed 142% of the baseline funding per weighted student for the 2011-2012 school year. This is an increase from 134% of the baseline funding.
- Eliminates the maximum payment limitation for school year 2012-13 and thereafter.

### Section 24: Equity Payments

- In determining the statewide average imputed taxable valuation per student, the calculation may **not** include:
  - 1) any school district which if included would have an imputed taxable valuation per student that is three times greater than the statewide average imputed taxable valuation per student;
  - 2) any school district which if included would have an imputed taxable valuation per student that is less than 1/5<sup>th</sup> of the statewide average imputed taxable valuation per student.
- This change eliminates special situations that might distort the statewide average ITVPS which is used to determine the equity payments. Affirms the taxable year 2008 as reference for the district's general fund mill levy for purposes of determining the district's imputed taxable valuation.

### Section 25: Unobligated General Fund Balance

- Deletes old language regarding ending fund balance, stimulus and other funds. Deletes the requirement for a district with excess exclusions from their ending fund balance determination to report to the legislative council.
- Affirms that the excess unobligated general fund balance is the amount in excess of 45% of its actual expenditures + \$20,000.
- Funding from the Education Jobs fund (federal money) is **not** to be included in the unobligated ending fund balance.

### Section 26: Early Childhood Education Program Approval (Senate Change)

- Limits enrollment to children who have reached the age of four before August 1 of the year of enrollment.

### Section 27: Isolated School Transition Payments

- If during the 2010-2011 school year, a school district received an isolated school payment, and the district is not eligible under the proposed isolated school factor in the formula, the district is entitled to a transition payment according to the isolated school formula as it existed on June 30, 2011 in the following schedule:
  - 2011-2012: an amount equal to what they would have received
  - 2012-2013: 75% of the amount they would have received
  - 2013-2014: 50 % of what they would have received
  - 2014-2015: 25% of what they would have received
- If the school closes, the isolated school payment will be discontinued.

Section 28: Transportation Grant Distribution

- The reimbursement that is issued to school districts for the 2011-13 school year for state transportation grant, which is based on the state transportation formula, is as follows:
  - \$1.03 per mile for school busses with a capacity of 10 or more passengers
  - \$.46 per mile for vehicles with a capacity of 9 or fewer passengers
  - \$.46 per mile for one way transportation for students who:
    - Reside more than 2 miles from the school;
    - Are transported by a family member;
    - Are driving a vehicle furnished by the parent;
    - Are provided transportation paid for by the parent.
  - \$.26 per student for each one-way trip

Section 29: Use of New Money for Teacher Compensation

- The existing language regarding new money is re-enacted.
- In the 2011-13 biennium, at least 70% of all new money received from the per student payment is to be used to compensate teachers.
- New money is determined by taking the difference of the per student payment from 2009-2011 biennium and the 2011-2013 biennium with the following exclusions: equity payments, transportation payments, contingency distributions, mill levy reduction payments, technology support payments.

Section 30: Contingent Money (Senate Change)

- This section provides that if any money appropriated to the Superintendent of Public Instruction for state aid payments to school districts remains after the obligations imposed for the biennium, the money must be used to provide additional per student payments on a prorated basis.

Section 31: Contingent Transfer by BND for Special Education (Senate Change)

- This section provides that if there are insufficient funds with which to fully reimburse school districts for the excess costs of serving the 1 percent of special education students statewide who require the greatest school district expenditures, the Industrial Commission shall transfer the necessary amount from the Bank of North Dakota. Legislation requesting reimbursement of the Bank must be introduced during the 2013 session.

Section 32: All-Day Kindergarten Impact Report (Senate Change)

- Requires each school district that provided full-day kindergarten during the previous school year to file a report with DPI indicating the academic growth experienced by the students who were enrolled in the program.

Section 33: Teacher Compensation Legislative Management Study (Senate Change)

- Directs legislative management to conduct a study to reform teacher compensation.

Section 34: Repeal

- Section 15.1-27-15 is repealed (Isolated School language. See Section 30 for replacement).

Section 35: Effective Date (**Senate Change**)

- Provides an effective date of July 1, 2013 for Section 21, Alternative Education factor.

## Appropriation Sections Taken Out:

### Regional Education Association Grants (DPI BILL)

- \$800,000 in grants for the REA's for the compensation of coordinators. REA's must:
  - Employ a coordinator for 12 months on a full time or part time basis;
  - Provide 30% of the salary for the coordinator from other revenue sources.
- Maximum grant to an REA per year is the lesser of \$50,000 or 70% of the total compensation of the coordinator.

### Child Care Development Associate Credential (COMMERCE BILL)

- \$150,000 appropriated to the Department of Commerce for individuals seeking a child development associate credential. Grants of \$1200 will be provided to 125 individuals in the 2011-13 biennium.

### Principal Mentorship Grants (DELETED BY SENATE)

- DPI is appropriated \$461,500 to contract with a statewide educational entity to develop and implement a principal mentorship program. Preference given to first year principals.

### Weighted ADM (DELETED BY SENATE)

- .06 factor for a supplemental teacher-effectiveness compensation plan.

### Supplemental Teacher-effectiveness compensation—Appropriation for Review Panel DELETED BY SENATE)

- DPI is appropriated \$20,000 for the expenses of the review panel for the 2011-2013 biennium.

# Supplemental Teacher-Effectiveness Compensation

## Development of a Local Plan

- If the school board and teacher representative organization agree to pursue a plan, they shall form a local committee to develop the plan. Membership must be jointly agreed upon by the school board and the representative organization. The committee may establish their own rules of operation and the committee is considered a public entity.
- Only teachers employed by the district or teachers employed in a particular school within the district are eligible.

## Required Content

- The plans that are developed by the local committees must only address compensation to the teacher and take into account the following components:
  1. Difficulty in filling positions with a highly qualified teacher;
  2. Advanced degrees or special skills beyond the minimum requirements;
  3. Participation in professional development activities;
  4. Additional responsibilities outside job description;
  5. Academic and other measures of student growth.
- The plans must have an evaluation method for each component of the plan that corresponds with each individual teacher.
- No teacher may receive less compensation than previously contracted for.
- The plan is not subject to a declaration of impasse.

## State Review Panel

- The local planning committee of the supplemental teacher effectiveness compensation must submit their plan to a review panel which consists of:
  - Two DPI employees selected by the Superintendent of Public Instruction;
  - Two individuals appointed by the ND Council of Educational Leaders (NDCEL);
  - Two individuals appointed by the ND Education Association (NDEA);
  - Two individuals appointed by the ND School Boards Association (NDSBA).
- The review panel must approve or deny plans submitted, and provide funding accordingly.
- The review panel must provide recommendations for denied applicants.
- Modified plans will be reconsidered for approval and funding.
- The review panel shall distribute guidelines and offer advice on compensation plans.

## Annual Report

- Any school district that receives funding for a supplemental teacher effectiveness compensation plan is required to submit an annual report to the DPI, as instructed by the Superintendent.
- The annual report is to establish if the plan has achieved the following:
  1. Alleviated difficulty in filling positions with qualified individuals;
  2. An increased number of teachers pursuing advanced education or special skills;
  3. An increased number of teachers pursuing professional development activities;
  4. An increased number of teachers pursuing additional responsibilities;
  5. Measurable academic student growth, or other kinds of student growth.
- The report must also include suggestions for changes to their plan if appropriate.
- If both the school district and the representative organization agree to continue the plan, with or without changes, the report must include a request to continue funding.

## Effective Date & Funding

- July 1, 2012
- .06 x students instructed by participating teachers



<b>MEASURES AFFECTING SCHOOL DISTRICT FINANCES</b>	
Financial impact on school districts of HB 1127, approved by the Employee Benefits Committee, requiring an increase in the TFFR contribution on 7/1/12 of 2% by the school district and 2% by the employees.	\$(21,800,000)
Revenues to be made available to school districts in 2010-2011 school year from the Jobs Bill, which must be expended on teacher compensation	\$21,500,000

## TEACHERS FUND FOR RETIREMENT

The Commission recommends that the provisions of HB 1127, approved by the Employee Benefits Committee, regarding increased contributions to the Teachers Fund for Retirement on July 2012 be enacted by the Legislative Assembly. These increases are 2 percent by the school district and 2 percent by the school employees. The Commission also recommends the Bill's other provisions regarding adjustments to the pension plan terms.

The Commission advances this as a first step in an incremental approach toward restoring 100 percent actuarial funding to the Teachers Fund for Retirement. We believe this action in the upcoming biennium, combined with improving investment returns, will significantly improve the condition of the Fund. Should additional steps be needed, the Employee Benefits Committee will review those with an eye toward making additional adjustments in the following biennium.

March 2011

## SUMMARY OF REENGROSSED SENATE BILL NO. 2150 AND ASSOCIATED ESTIMATED COSTS OR SAVINGS

### Section 1

#### (Amendment of Section 15.1-07-33) Student Information System - Statewide Coordination - Financial Support - Exemption

This section directs the Superintendent of Public Instruction to forward that portion of a school district's state aid which is attributable to the acquisition and use of PowerSchool and any related technology support services directly to the Information Technology Department. If the amount forwarded exceeds the cost incurred by the Information Technology Department, it must be returned to the school district as per student payments. This section also allows the Superintendent of Public Instruction to exempt a school district from having to acquire and utilize PowerSchool if the school district demonstrates that it is using a comparable system in accordance with Bureau of Indian Education requirements.

### Section 2

#### (Amendment of Section 15.1-09-58) Early Childhood Education - Authorization - Support

This section authorizes the board of a school district to support an early childhood education program with local tax revenues, other than those necessary to support the district's kindergarten program and the provision of elementary and high school educational services, as well as state and federal money, and gifts, grants, and donations.

### Section 3

#### (Amendment of Section 15.1-09.1-02) Regional Education Association - Joint Powers Agreement - Review by Superintendent of Public Instruction - Criteria

This section removes the list of administrative functions and student services that were statutorily required of a regional education association. The section also provides that each member of a regional education association's governing board must be an individual currently serving on the board of a participating school district or the designee of a participating school district's board.

### Section 4

#### (New Section to Chapter 15.1-09.1) Regional Education Association - Services to Be Offered

This section requires a regional education association to offer coordination and facilitation of professional development activities for teachers and administrators employed by its member districts; supplementation of technology support services; assistance with achieving school improvement goals identified by the Superintendent of Public Instruction; assistance with the collection, analysis, and interpretation of student achievement data; and assistance with the expansion and enrichment of curricular offerings.

**Section 5**  
**(New Section to Chapter 15.1-18.2)**

**Professional Development Advisory Committee -  
Compensation of Members**

This section provides expense reimbursement for members of the Professional Development Advisory Committee.

**Section 6**  
**(New Section to Chapter 15.1-18.2)**

**Teacher Support Program - Establishment**

This section requires the Education Standards and Practices Board to establish a teacher support (mentoring) program.

**Section 7**  
**(New Section to Chapter 15.1-18.2)**

**Teacher Support Program - Availability of Services**

This section sets forth allowable uses for money received by the Education Standards and Practices Board in connection with the teacher support program.

**Section 8**  
**(New Section to Chapter 15.1-18.2)**

**Teacher Support Program -  
Authorized Service Recipients**

This section provides that the Education Standards and Practices Board may provide teacher support services to school districts, special education units, area career and technology centers, regional education associations, and schools funded by the Bureau of Indian Education.

**Section 9**  
**(Amendment of Section 15.1-20-01)**  
**Compulsory Attendance**

This section provides that a student's formal schooling must begin with a kindergarten program that meets the requirements of Section 15.1-22-02 and must include all other grades from 1 through 12. The section sets the ages of compulsory attendance at 6 and 16 through June 30, 2015, and at 6 and 17 thereafter.

**Section 10**  
**(Amendment of Section 15.1-21-02.1)**  
**High School Diploma -  
Minimum Requirements**

This section clarifies that in order to obtain a high school diploma, a student must have successfully completed the statutorily required 22 units of high school coursework and any additional units required by the entity issuing the diploma.

**Section 11**  
**(New Section to Chapter 15.1-21)**  
**High School Graduation -  
Minimum Requirements**

This section articulates the 22 units of high school coursework which constitute the minimum requirement for high school graduation.

**Section 12**  
**(Amendment of Section 15.1-21-02.4)**  
**North Dakota Career and**  
**Technical Education Scholarship**

This section clarifies the requirements for a North Dakota career and technical education scholarship and provides that the requirements for a 3.0 grade point average (GPA) may be calculated using all high school units in which the student was enrolled or only the statutorily required units. The section also allows a student to select American sign language from one of the required categories.

**Section 13**  
**(Amendment of Section 15.1-21-02.5)**  
**North Dakota Academic Scholarship**

This section clarifies the requirements for a North Dakota academic scholarship and provides that the requirements for a 3.0 GPA may be calculated using all high school units in which the student was enrolled or only the statutorily required units. The section also allows a student to take American sign language rather than two units of the same foreign or Native American language.

**Section 14**  
**(Amendment of Section 15.1-21-02.6)**  
**North Dakota Scholarship -**  
**Amount - Applicability**

This section provides that if a student meets the statutory requirements for a scholarship, the student is entitled to receive \$1,500 at the beginning of the student's first year of higher education. Beginning with the student's second year of higher education, the scholarship amount is \$750 per semester and is payable provided the student maintains a cumulative GPA of 2.75 and maintains enrollment in a minimum of 15 hours. If at the conclusion of the student's first year, or any semester thereafter, a student has failed to meet the requirements for a scholarship, the student, at the conclusion of the ensuing semester, may apply to the State Board of Higher Education for reinstatement of the scholarship. If a student fails to meet the statutory requirements for a second time, that student may not receive any additional scholarships under this section. The State Board of Higher Education is directed to monitor the academic performance of each scholarship recipient and to provide notification to the recipient within five days if the recipient has failed to meet the statutory requirements.

**Section 15**  
**(New Section to Chapter 15.1-21)**  
**North Dakota Scholarship Fund - Biannual**  
**Transfer - Continuing Appropriation**

This section requires the State Treasurer to biannually transfer from the interest and income of the lands and minerals trust fund to the North Dakota scholarship fund the amount necessary to provide the North Dakota academic scholarships and the North Dakota career and technical education scholarships. In addition, the section provides a continuing appropriation to the State Board of Higher Education for the purpose of providing the scholarships.

**Section 16**  
**(Amendment of Section 15.1-21-08)**  
**Reading, Mathematics, and Science -**  
**Administration of Test**

This section removes date-specific language related to the administration of the state assessments.

**Section 17**  
**(Amendment of Section 15.1-21-18)**  
**Career Interest Inventory - Educational**  
**and Career Planning - Consultation**

This section requires each school district to provide students in grade 7 or 8 with an individual consultative process or a nine-week course for the purpose of discussing the results of their career interest inventory, selecting high school courses appropriate to their educational pursuits and career interests, and developing individual high school education plans. The section requires each school district to notify students that they are entitled to a consultative review at least once during each high school grade and to provide the consultative review when requested to do so.

**Section 18**  
**(Amendment of Section 15.1-21-19)**  
**Summative Assessment - Selection -**  
**Cost - Exemptions**

This section provides that students must take the writing portion of the ACT or the WorkKeys assessments. It also provides that the cost is to be borne by the state.

**Section 19**  
**(Amendment of Section 15.1-22-01)**  
**Kindergarten - Establishment by Board - Request**  
**by Parent - Levy**

This section requires the board of a school district to provide at least a half-day kindergarten program or pay the tuition for a student to attend at least a half-day kindergarten program in another school district.

**Section 20**  
**(Amendment of Section 15.1-27-03.1)**  
**Weighted Average Daily**  
**Membership - Determination**

This section clarifies English language learner proficiency categories, provides that the English language learner weighting factor is not applicable to students who have been in the third of six proficiency categories for more than three years, and sets 0.10 as the factor for students enrolled in certain isolated school districts. The section also sets 0.006 as the factor for students enrolled in school districts that have or are in the process of acquiring PowerSchool.

**Section 21**  
**(Amendment of Section 15.1-27-03.1 -**  
**Effective as of July 1, 2013)**  
**Weighted Average Daily**  
**Membership - Determination**

Beginning July 1, 2013, this section establishes a weighting factor of 0.20 for students in grades 6 through 8 who are enrolled in an alternative education program for at least an average of 15 hours per week.

**Section 22**  
**(Amendment of Section 15.1-27-04)**  
**Per Student Payment Rate**

This section sets the per student payment rate at \$3,961 for both years of the biennium.

**Section 23**  
**(Amendment of Section 15.1-27-07.2)**  
**Baseline Funding - Determination -**  
**Minimum and Maximum Allowable Increases**

This section provides that the total amount of state aid payable to a district per weighted student unit, less any amount received as equity payments per weighted student unit, may not exceed a maximum of 142 percent of the baseline funding for the 2011-12 school year. No maximum is established for any year thereafter.

**Section 24**  
**(Amendment of Section 15.1-27-11)**  
**Equity Payments**

This section provides that in determining the statewide average imputed taxable valuation per student for purposes of equity payments, the Superintendent of Public Instruction may not include any school district, which if included in the calculation would have an imputed taxable valuation per student that is three times greater than the statewide average imputed taxable valuation per student, and any school district, which if included in the calculation would have an imputed taxable valuation per student that is less than one-fifth of the statewide average imputed taxable valuation per student. In addition, the section clarifies the determination of imputed taxable valuation by providing that the divisor is to be the district's general fund mill levy for taxable year 2008.

**Section 25**  
**(Amendment of Section 15.1-27-35.3)**  
**Payments to School Districts -**  
**Unobligated General Fund Balance**

This section provides that federal education jobs fund program money received by a school district may not be included in a district's unobligated general fund balance for purposes of determining state aid.

**Section 26**  
**(Amendment of Section 15.1-37-01)**

**Early Childhood Education Program - Approval**

This section limits enrollment in approved early childhood education programs to students who have reached age 4 before August first of the year of enrollment.

**Section 27**

**Isolated Schools - Transition Payments**

This section provides transition payments to school districts that had been receiving additional payments because they contained an isolated school but which do not qualify for the isolated payment factor, as proposed under this Act.

**Section 28**

**Transportation Grants - Distribution**

This section increases state transportation aid to \$1.03 per mile for schoolbuses having a capacity of 10 or more passengers, 46 cents per mile for vehicles having a capacity of 9 or fewer passengers, 46 cents per mile one way for family transportation, and 26 cents per student for each one-way trip. If any money provided for transportation payments remains after application of the formula, the money is to be prorated as transportation payments.

**Section 29**

**Use of New Money - Teacher  
Compensation Increases -**

**Reports to the Legislative Management**

This section requires the board of each school district to use at least 70 percent of all new money received as per student payments to increase the compensation paid to teachers and to provide compensation to teachers who begin employment with the district on or after July 1, 2011. The section also lists various payments and money that may not be included in the determination of new money.

**Section 30**

**Contingent Money**

This section provides that if any money appropriated to the Superintendent of Public Instruction for state aid payments to school districts remains after the Superintendent complies with all statutory payment obligations imposed for the biennium, the money must be used to provide additional per student payments on a prorated basis.

**Section 31**

**Contingent Transfer by Bank of  
North Dakota for Special Education**

This section provides that if there are insufficient funds with which to fully reimburse school districts for the excess costs of serving the 1 percent of special education students statewide who require the greatest school district expenditures, the Industrial Commission shall transfer the necessary amount from the Bank of North Dakota. Legislation requesting reimbursement of the Bank must be introduced during the 2013 session.

**Section 32****All-Day Kindergarten - Impact Report**

This section requires each school district that provided full-day kindergarten during the previous school year to file a report with the Superintendent of Public Instruction indicating the nature and extent of any measurable academic growth experienced by the students who were enrolled in the program.

**Section 33****Legislative Management Study -  
Teacher Compensation**

This section directs the Legislative Management to consider studying ways to reform the manner in which teacher compensation is determined, with a view to recruiting, developing, and retaining a high-quality teaching workforce capable of significantly improving student performance.

**Section 34****Repeal**

This section repeals Section 15.1-27-15, which pertains to isolated schools.

**Section 35****Effective Date**

This section makes Section 21 effective on July 1, 2013.



# TESTIMONY ATTACHMENT 4

## Testimony on SB 2150

By  
**Dr. M. Douglas Johnson, Executive Director—NDCEL**

Madame Chair Kelsch and Chairman Skarphol and members of the House Education Committee and House Education Appropriations Sub-Committee, for the record my name is Doug Johnson and I am the executive director of the ND Council of Educational Leaders which represents North Dakota's school leaders. I am here to provide you background information on the proposed reorganization of the Center for Distance Education and the completion of the legislated transition to PowerSchool and the weighting factor associated with achieving that goal as proposed in **SB2150**.

The Commission on Education Improvement (Commission) recognized that that the concept of an "adequate" education means a large percentage of high school seniors should be "ready for college" and/or "ready for work" upon graduation. Further, the Commission recognized accessibility to an adequate education requires quality instruction as well as the curriculum be available for all North Dakota students to ensure that they will perform well.

Providing all students in North Dakota the accessibility to quality instruction and curriculum is challenging under any circumstances and particularly so in a sparsely populated state especially with a high number of school districts, and a declining number of students especially in our smaller rural school districts. Further, with the implementation of the recent and popular scholarship programs offered by the state there will be an increase in the demand for advanced courses in mathematics and science, additional foreign languages, as well as greater exposure to career and technical education. Meeting these challenges and demands will significantly increase the role of virtual classrooms and virtual schools in the state. With this in mind it was the recommendation of the Commission that the North Dakota Center for Distance Education (NDCDE) play a significant role in ensuring that virtual classroom/school offerings are both high in quality and affordable.

In order for the NDCDE to remain viable and competitive in providing virtual classroom opportunities for North Dakota's students it will need organizational restructuring and budget enhancements. Specifically, the NDCDE reorganization will decrease the charge of a one-semester course for North Dakota students to a cost competitive price, narrow the focus of the Center's

distance education services, reduce certain staff costs, and increase the staff commitment to marketing and customer services.

In its final report the Commission recommended an increase of \$780,000 in the budget for the ND Center for Distance Education to further subsidize tuition for North Dakota students enrolling in online courses, a \$290,000 increase in salaries and benefits for the reorganized staff, and a \$318,000 increase for enhanced customer service for school districts statewide. The total increase of \$1,388,000 is offset by budget reductions of \$155,000, for a net cost of \$1,233,000. Further, the Commission recommended that all distance education curricula offered in North Dakota meet state standards and that Advanced Placement and Dual Credit course offerings be increased. Funding of this recommendation is through the ITD budget.

A second recommendation of the Commission related to technology was that of having all public schools in North Dakota be using PowerSchool as the principal student information system by 2013. In 2009, the Legislative Assembly appropriated \$2.38 million in general funds to ITD to implement the installation of PowerSchool software in every North Dakota school district. They also amended HB1400 to include a "technology factor" in the formula with the intent that those funds could be used by school districts to help pay for PowerSchool. PowerSchool is also the key data collection system for the state's new Longitudinal Data System that will allow K-12 student information to be placed in a data warehouse and later combined with information from the ND University System and Job Service to produce a comprehensive picture of the effectiveness of state education programs and workforce development initiatives. This information will become the key to future policy decisions by the Governor and the Legislative Assembly. PowerSchool is therefore a very important foundation for supplying K-12 student data to the Longitudinal Data System.

In its final report the Commission recommended the .002 Technology factor be replaced with a .006 "Data Collection Factor" for each student tracked by the PowerSchool student information system currently required for every school district. This factor will generate an estimated \$3,000,000 to fund the cost of implementing and maintaining the PowerSchool system. School districts in the process of training and implementing PowerSchool at the beginning of the school year would also be eligible for the factor multiplied times their base ADM. These funds would be withheld by the Superintendent of Public Instruction and when approved may only be used to purchase installation and support services from the Information Technology Department equal to their actual costs related to the implementation of PowerSchool. A general fund appropriation to ITD for this purpose

would no longer be needed. The Commission also recommends that two full-time positions be authorized at ITD exclusively for the 2011 – 2013 biennium at an estimated cost of \$330,500. Any remaining amount generated by the data collection factor that is not needed to reimburse ITD should be distributed as additional state aid. The Superintendent of Public Instruction should be authorized to waive the PowerSchool requirement for reservation districts that are required by the Federal government to use a different software program.

The Commission also recommended that the state Longitudinal Data System continue to receive the support needed to continue the implementation of this project. Analysis of data will in the future be necessary to answer queries about the relative success of various policy initiatives and to suggest appropriate policy changes. Trends will emerge from the data as well as comparative information that will be helpful to school districts. In addition, the Commission recommended that 1 full-time position be added to the Information Technology Department for the second year of the 2011-13 biennium at a cost of \$145,000. This individual will analyze data, answer queries from school districts and policy makers, and develop strategies to add value to the data analysis. These recommendations are in Section 1 of **SB2150** and are as follows:

**SECTION 1. Student information system -**

- School district must acquire PowerSchool through ITD and use it as its principal student information system.
- A portion (.0006/ADM) of a school district's state aid will go directly to the ITD to reimburse costs of district's school district's acquisition, implementation, or utilization of PowerSchool and any related technology support services.
- Any excess moneys must be returned to DPI for redistribution to the school district as per student payments.
- DPI may exempt school BIA school districts from having to acquire and use PowerSchool provided they demonstrate that, following BIA requirements, the district has acquired and using a student information system that is determined comparable by superintendent of public instruction (DPI).

Madame Chair Kelsch, Chairman Skarphol and members of the House Education and House Education Appropriations Sub-Committee, this concludes my testimony.

# TESTIMONY ATTACHMENT 5



**March 15, 2011**

**Testimony in support of SB2150**

**House Education Committee**

**Greg Burns**

**701-223-0450 – [greg.burns@ndea.org](mailto:greg.burns@ndea.org)**

Madame Chair, members of the House Education Committee, for the record my name is Greg Burns, Executive Director of the North Dakota Education Association (NDEA). On behalf of our 8,800 members I come before you today to express our strong support for SB 2150, as engrossed, and in particular, Section 27, Use of New Money.

Part 1 of Section 27 states, “During the 2011-2013 biennium, the board of each school district shall use an amount equal to at least seventy percent of all new money received by the district for per student payments to increase the compensation paid to teachers and to provide compensation to teachers who begin employment with the district on or after July 1, 2011.” The proposed legislation then itemizes certain portions of the increased funding which are not to be used as part of this calculation.

First of all I want to express the gratitude of our teacher members. This provision has helped make good salary gains over the last four legislative sessions. Without this provision it is doubtful that such gains would have been possible. This represents an earnest and welcome attempt by the North Dakota Commission for Education Improvement and the Legislative Assembly to reward North Dakota teachers for doing what they love to do; educate our young people to be successful in work or in postsecondary education.

However, in spite of this effort North Dakota teaching salaries still rank very near the bottom of the national rankings. The NDEA recognizes that this is not the outcome that North Dakota policymakers want. The NDEA also recognizes that what has become known as the “seventy percent provision” may not last forever and that nationally and within North Dakota people are beginning to ask if there isn’t a different way to address teacher compensation.

That challenge was issued to the Quality Instruction Subcommittee of the North Dakota Commission on Education Improvement during the interim. We were challenged to find a way of compensating teachers that would attract and retain

highly effective teachers; that would create a method of pay that is related to what teachers actually do; that would improve instructional effectiveness; and that would be more accountable to policy makers and the public. The belief is that if we could accomplish that, educational outcomes for all of our students would also improve.

We thought that we had found that through what became known as the Supplemental Teacher Effectiveness Compensation Plan, which was contained in Sections 23 through 29 of the original draft of SB 2150. Partly because the plan was so new, and partly because there were some provisions that caused some concern among various constituencies this provision was stripped from the original bill.

Since that time the North Dakota School Boards Association, the North Dakota Council of Educational Leaders, NDEA and others have been working to address those concerns. We are asking the House Education Committee to give the Supplemental Teacher Effectiveness Plan another chance as we go forward. We may offer any assistance you made need to bring this matter forward for consideration.

The NDEA urges a DO PASS recommendation for SB 2150, a good piece of legislation that would become great if the Supplemental Teacher Effectiveness Compensation Plan is brought back into the bill.

# TESTIMONY ATTACHMENT 6

Testimony to the Senate Education Committee 3/15/2011

In support of SB 2150 (amended)

Good morning Chairman Kelsch and members of the House Education Committee.

My name is **Rick Buresh, Superintendent of the Fargo Public Schools**. I am here to testify in support of SB 2150 as now amended.

Several years ago, we began hearing from our middle school teachers requesting for help in reaching nontraditional students in their schools. Since then these teachers and administrators have had a series of meetings in an attempt to design a solution to reaching these students at risk. These students are of average and above intelligence, not in special education, but present with significant behavior and learning challenges that put them at high risk of failure and eventual drop out. Typically, these students are often on a track leading to failure and are a disruption and distraction for other students and their teachers. Our teachers saw the remarkable success our alternative high schools are having with many of these same students long after they struggled and failed at the middle school level in the mainstream program. They would love to implement a similar model for middle level students and our Board and administrative team would love to work with them to implement such a program. We envision a program of smaller class sizes, close supervision, individualized learning plans, more project-based learning, and greater parent involvement, all occurring within our existing middle schools. Students would be identified through referrals originating in Response-to-Intervention teams, Professional Learning Community sessions, and parent-student requests. A team would be created at each school to manage admission and dismissal from the program. For Fargo, we envision enrollment to be limited to no more than 15 students per grade at each middle school. Students could

enter and exit the program as their performance and needs changed. No student would be placed into the program without a parent's ongoing consent. As originally proposed, this idea had some funding and logistical problems that have been properly resolved as this concept was since incorporated into SB 2150 by the Senate.

Speaking on behalf of the faculty, administration, and Fargo Board of Education, we urge favorable consideration of SB 2150 in its entirety and especially as it is now amended to include provisions for alternative middle school programming.

# ATTACHMENT 7

## Williams County Tax List

Category	2010	2009	Percent Change		Percent Change		Percent Change	
			2008	2010/2009	2009/2008	2010/2008		
Agricultural	12871166	11450266	11243038	0.124093187	0.018431673	0.144812105		
Residential	32119231	29338418	24641972	0.094784013	0.190587263	0.303435902		
Commerical	14928973	13476382	10962067	0.107787906	0.229365046	0.36187573		
Railroads	1704062	1508120	1196714	0.129924674	0.260217562	0.423950919		
Pipelines	6463944	4488852	2990318	0.439999358	0.501128643	1.161624282		
Elec, Gas, Heat	595676	588871	529907	0.011556011	0.111272355	0.124114231		
Total	68683052	60850909	51564016	0.12871037	0.180104145	0.331995786		

## McKenzie County Tax List

Category	2010	2009	Percent Change		Percent Change		Percent Change	
			2008	2010/2009	2009/2008	2010/2008		
Agricultural	8505918	8504999	8339438	0.000108054	0.019852777	0.019962976		
Residential	3210836	2716432	2453135	0.182004924	0.107330824	0.308870486		
Commerical	2794584	2888792	2013067	-0.032611555	0.435020295	0.388222051		
Railroads	21400	15150	14650	0.412541254	0.034129693	0.460750853		
Pipelines	6646104	5533186	5485287	0.201135115	0.008732269	0.211623749		
Elec, Gas, Heat	66611	61415	54304	0.084604738	0.130947996	0.226631556		
Total	21245453	19719974	18359881	0.077357049	0.07407962	0.15716725		

## Montrail County Tax List

Category	2010	2009	Percent Change		Percent Change		Percent Change	
			2008	2010/2009	2009/2008	2010/2008		
Agricultural	12356970	11241225	10476070	0.099254752	0.073038363	0.179542519		
Residential	4809880	4210983	3380468	0.142222612	0.24568048	0.422844411		
Commerical	4862304	2391275	1775202	1.033352082	0.347043886	1.73901449		
Railroads	1271378	1120705	890775	0.134444836	0.258123544	0.427271758		
Pipelines	12804548	1496726	560504	7.55503813	1.67032171	21.84470405		
Elec, Gas, Heat	208997	160456	129194	0.302519071	0.241977182	0.617698964		
Total	36314077	20621370	17212213	0.760992456	0.198066164	1.109785476		

## Divide County Tax List

Category	2010	2009	Percent Change		Percent Change		Percent Change	
			2008	2010/2009	2009/2008	2010/2008		
Agricultural	7426295	6492270	6242562	0.143867245	0.040000884	0.189622946		
Residential	976025	898218	848556	0.086623737	0.058525307	0.150218725		
Commerical	543780	531570	536276	0.022969694	-0.008775332	0.013992795		
Railroads	251113	177979	119594	0.410913647	0.488193388	1.09971236		
Pipelines	59034	42921	44421	0.375410638	-0.033767813	0.32896603		
Elec, Gas, Heat	47843	48157	47887	-0.00652034	0.005638273	-0.00091883		
Total	9304090	8191115	7839296	0.135875885	0.044878902	0.186852748		



	ADM 2010-11	ADM 2009-10	Jan. 2011 ADM	% ADM Change Fall Jan. 2011	% ADM Change Fall	TAXVAL 2011	TAXVAL 2010	TAXVAL Change %	GFLEVY 2011	GFLEVY 2010	Change %	Mill Increase
Alexander	69	65	79	21.54%	6.15%	3,439,590	3,190,026	8%	109.07	105.00	4%	45,017
Beach	280	283	295	4.24%	-1.06%	4,972,312	4,665,507	7%	100.00	100.00	0%	
Belfield	224	207	217	4.83%	8.21%	2,486,347	2,263,314	10%	110.00	110.00	0%	
Billings Co	38	44			-13.64%	6,763,589	6,107,775	11%				
Bottineau	587	603			-2.65%	20,946,814	19,994,511	5%	72.25	73.63	-2%	
Bowbells	61	66	63	-4.55%	-7.58%	3,692,821	3,223,260	15%	95.98	108.12	-11%	
Bowmen CO	402	413	385	-6.78%	-2.66%	12,734,882	11,491,784	11%	109.13	108.00	1%	
Burke	85	82	84	2.44%	3.66%	4,324,199	3,815,570	13%	93.66	102.21	-8%	
Dickinson	2597	2586	2618	1.24%	0.43%	54,133,507	50,487,354	7%	109.99	110.00	0%	
Divid County	226	232	250	7.76%	-2.59%	9,848,030	8,649,999	14%	84.09	95.74	-12%	99,374
Eight Mile	181	174			4.02%	1,946,135	1,790,261	9%	107.39	104.98	2%	25,080
Garrison	334	327			2.14%	10,182,581	9,474,705	7%	104.64	109.60	-5%	
Grenora	88	80	97	21.25%	10.00%	5,031,435	4,303,982	17%	109.31	110.00	-1%	66,000
Kenmare	295	291	298	2.41%	1.37%	9,219,287	8,094,634	14%	97.62	99.30	-2%	
Killdeer	372	373	376	0.80%	-0.27%	9,334,585	8,534,954	9%	100.00	100.00	0%	
Mandaree	216	182	188	3.30%	18.68%	452,012	98,297	360%	15.49	71.21	-78%	
McKenzie Co.	586	540	623	15.37%	8.52%	12,625,353	11,538,680	9%	100.76	105.00	-4%	
Nesson	219	191	222	16.23%	14.66%	6,257,813	5,638,270	11%	93.55	92.40	1%	70,248
New District E	183	182			0.55%	14,570,368	12,798,685	14%	74.54	78.13	-5%	130,334
New England	160	142	159	11.97%	12.68%	5,604,167	5,488,630	2%	110.00	109.00	1%	
New Town	749	749	707	-5.61%	0.00%	8,016,433	4,492,754	78%	106.57	98.96	8%	
Parshall	270	273	282	3.30%	-1.10%	7,974,612	4,506,833	77%	100.00	104.70	-4%	
Powers Lake	106	91	105	15.38%	16.48%	2,527,205	2,186,601	16%	94.97	109.76	-13%	
South Heart	205	200	210	5.00%	2.50%	4,471,352	4,134,921	8%	103.95	100.36	4%	210,904
Stanely	472	411	488	18.73%	14.84%	15,977,648	8,542,304	87%	110.00	110.00	0%	101,862
Tioga	292	263	308	17.11%	11.03%	11,442,057	7,982,688	43%	74.19	94.94	-22%	449,729
Williston	2467	2275	2384	4.79%	8.44%	34,070,448	31,558,091	8%	110.00	109.08	1%	
Yellowstone	52	48			8.33%	2,057,119	1,911,759	8%	104.52	106.31	-2%	

# TESTIMONY ATTACHMENT 8

Areas Impacted by Growth and Change in Evaluation

Madam Chair and members of the joint committee.

Thank you for your time.

Added bus routes, the problem of hiring drivers in competition with the oil industry, and the condition of roads have a negative impact on a school's budget. Ray added one route for a large bus and one route for a suburban. The district will receive no compensation for these added expenses until next year.

Cost of housing and maintenance is determined by the oil industry. Teachers can find no affordable housing; therefore districts are forced to purchase mobile homes or build to provide the needed staff. One example of inflated cost is the price of an oil change going from \$177 to \$377. Increasing numbers of students also have the district scrambling for space. Some districts are considering capital projects in the near future.

The increase of student population produces an increase in "new" money from the State. The new money is good! However, 70% of new money must be used on teacher salaries leaving 30% of the funds to cover all the other costs of providing for the new students. For example, 30 new students in a small school would bring in approximately \$120,000. Seventy percent would need to go to teacher salaries. The Ray district would need to expend \$84,000 for 18 teachers' salary during the biennium. This assumes no new teachers were needed with the student increase. \$45,000 would then be left for all other expenses: superintendent, principals, counselors, books, desks.... The above amount would add \$1555 to the base salary. However, what if the school gains another 30 students in the second year? You would now have the \$1555 plus the 70% of this new money. The district would reach a point at which the salaries could not be sustained.

Schools are required to submit a preliminary budget by August 15 and the final budget by October. The district does not know the districts taxable value until in December. During the transition to the mil levy reduction, schools were to levy no more than 110 mils. In our case, Ray, the budget was set at a dollar amount that would be approximately 110 mils. However, the evaluation increased by 17%. The result was the mils coming in at 92.4. I had asked the county auditory several times what the evaluation might be, but got the response, "I don't know, but it will increase." Budgeting needed to be done with too many unknowns; number of new students, evaluation increase, and cost of increased busing. As a result, the district did not receive the \$100,000 that would be needed. The following year, 2010, I increased the budget by the limit allowed, 1.125 times the previous year. Again the evaluation increased by 11% and the mil levy went up to 93.5 mils. Over the two years, the district did not realize \$200,000 of needed money and made very little progress in reaching the targeted 110 mils.

I present the above to provide you with a few ways that the budgets in schools have been impacted in highly unusual ways. Changing the 12.5% limitation is one change that would help districts meet the increased cost of additional students and regain the 110 mils.

Respectfully submitted by Marlyn Vatne, Superintendent of Ray Public Schools (Nesson School District #2).

**House Education Committee  
Testimony SB 2150  
March 15<sup>th</sup>, 2011  
Chairperson: Representative Kelsch**

Good morning. My name is Steve Holen and I am the Superintendent of Schools for McKenzie County Public School District #1 in Watford City. While I can attest to the issues involving sudden increases in taxable valuation; I want to testify today on circumstances relating to the use of the spring ADM for per-pupil foundation aid payments. Prior to the 2007 legislative session and the passing of SB 2200, a school district was allowed to use the spring ADM or the fall enrollment whichever is greater. Currently, school districts no longer have a choice and are paid on spring ADM regardless of fall enrollment numbers. While a vast majority of school districts are at an advantage using the spring ADM due to declining enrollment, those districts that are experiencing sudden increases in enrollment are left with utilizing local dollars to support the additional staff, materials, and infrastructure costs associated with the enrollment increases.

The enrollment for McKenzie County Public School District #1 on May 25<sup>th</sup>, 2010, the last day of school, was 538 students. The 2009-2010 spring ADM for the district was 543.63 students. The 2010-2011 fall enrollment for the district was 583 students as of September 10<sup>th</sup>, 2010 and as of March 14<sup>th</sup>, the enrollment for the district is at 624 students. The school district receives payment on 543.63 students @ \$3,779 per student and a 1.02 multiplier which totals \$2,095,465.33. If the district was paid on the current enrollment of 624 students; the state payment would total \$2,405,257.92. The difference represents \$309,792.59. The costs associated with the increased enrollment include two additional staff members at 2.0 FTEs, additional textbooks, supplies, and transportation expenses. The school district is considering additional in-city routes that would require four additional buses and drivers due to the increase in students. All of these expenditures would not be supported by the state foundation aid payment and the increase of student population experienced in the district.

While McKenzie County Public School District #1 benefitted many years in utilizing the spring ADM during declining enrollment years, it is still important for school districts experiencing substantial increases in enrollment be provided foundation payments that accurately reflect the number of students in the school district. While increasing enrollment requires immediate hires of additional staff, schools with declining enrollment often do not require immediate action regarding staff and other educational environment factors such as classroom size. It is conceivable if school districts in western ND experience growth over a substantial period of time, the school district will not "catch up" with pupil payments that represent the actual number of students in the building and address the continual needs and impacts regarding increasing enrollment through the state funding formula.

I ask the committee to consider changes to SB 2150 that would allow the school district to receive foundation aid payments that accurately reflect the actual number of students in the classroom, not the previous year's spring enrollment, and ensure state reimbursement reflects the actual impacts on staff and other costs associated with substantial increases in enrollment in one school year.

TESTIMONY  
ATTACHMENT  
10

Testimony  
Senate Bill 2150  
House Education Committee  
Tuesday, March 15, 2011

Gail Wold

Chairman Kelsch and members of the House Education Committee, my name is Gail Wold. I have served as Beulah's middle school principal for nineteen years. I am here to testify in support of Senate Bill 2150, specifically the section that would provide alternative programs to meet the needs of struggling middle level students.

In the past twenty years, we have seen a gradual transformation of public education in the United States and North Dakota. In particular, for students in K-12 public schools there has been an increasing emphasis on standards, accountability, and excellence. Legislatures, school boards, and parents have all demanded better outcomes from public schools. Simultaneously, there has been rising concern about school safety and discipline.

The impetus for the reform of public education included apprehension about the literacy of high school graduates and their ability to compete in the global economy. In response to a series of reports and task force recommendations (e.g., *A Nation at Risk* [National Commission on Excellence in Education 1983] and *A Nation Prepared* [Carnegie Forum 1986]), the public schools have emphasized excellence in education by raising standards, implementing new graduation requirements, and lowering tolerance for serious violations of school disciplinary codes. The primary beneficiaries of these changes have been college-bound youth and others who respond well to the current structure and purposes of public education. Overlooked in most of the recommendations were non-college-bound youth and students who struggled with traditional school organization and culture.

Structural changes in the life experiences of children and an increasingly diverse school population call for additional choices and options in public education. During the past twenty years there has been a steady decline in the amount of time parents can give to their school-aged children. At the beginning of my career nearly all of my students lived in two-parent families, many of whom had a stay-at-home parent. Today it is increasingly likely for our students to have both adults in the home working or live in single adult families. Consequently, the time and supervision available from caring adults for many of our students during nonschool hours is limited.

Beulah Middle School teachers, counselors, and I have worked together over the past several years to create and refine a system of timely, directive, and systemic interventions to meet the needs of our struggling learners (see Appendix: Pyramid of Interventions.) Despite the tenacious efforts of caring and dedicated teachers, counselors, and support personnel, the existing structure is simply a bad fit for some of our children and families.

If the alternative programming proposed in SB2150 were available at Beulah Middle School today, seven out of 185 (4%) of our current students – two sixth graders, two seventh grader, and three eighth graders - would be likely candidates for a school-within-a-school alternative program. 85% of these students live in single adult homes. Five of them live in homes with at least one sibling or adult with substance abuse issues. One lives with his grandmother since being removed from his mother's home.

Five of these students simply do not complete their assignments despite the extensive intervention system in place during our school day. Failure to complete assigned school work is the primary contributor these students' academic difficulty. A school-within-a-school alternative program would allow these students to participate in an individually paced curriculum within the

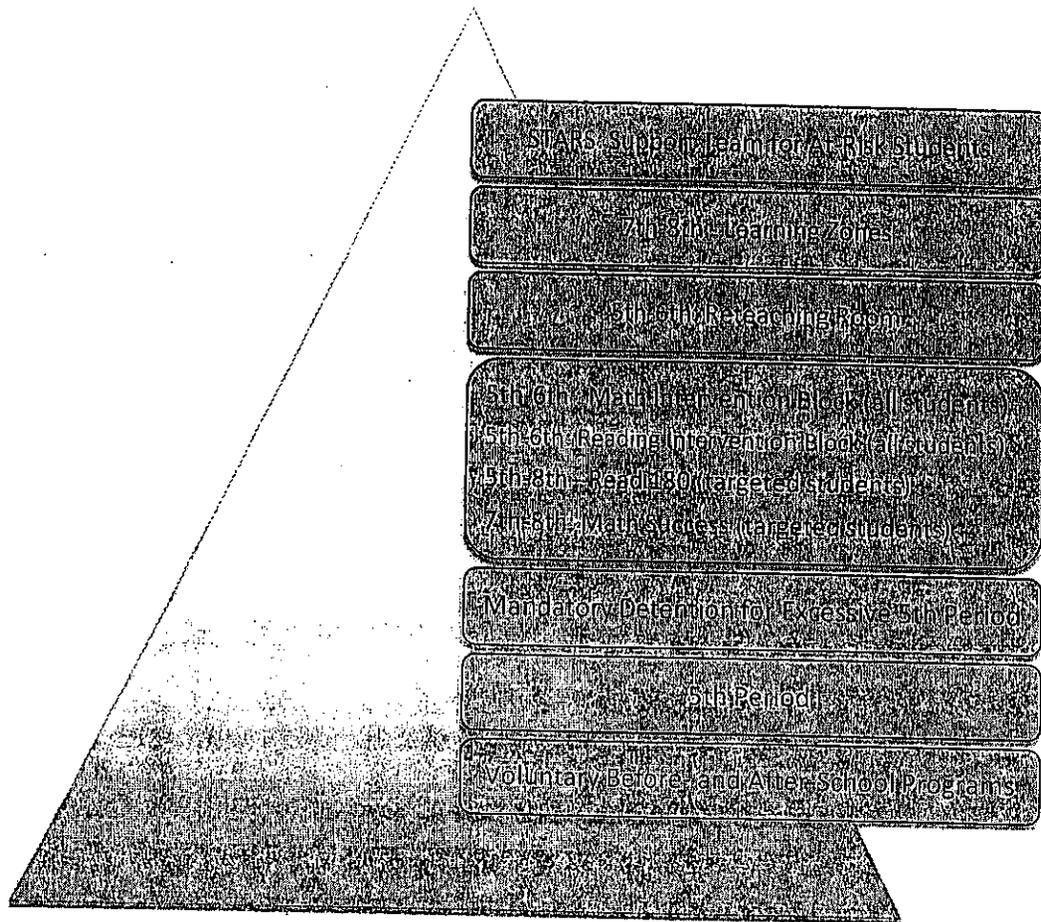
school day with a supervisor available to provide supplementary instruction in the area(s) where the student demonstrates need.

The remaining two of the seven potential school-within-a-school candidates continually disrupt the teaching and learning process which interferes with their learning and the learning of their classmates. A school-within-a-school program would take these students out of the large group setting, eliminating the audience for their attention-seeking behaviors. We have had some success removing these students from their peers for a day or two in our current school structure - they are motivated to improve their behavior in order to return to the group - but we lack the supervisory personnel necessary to ensure that appropriate instruction is provided to these students during their absences from class, so their removal is currently punitive and not as instructive as would be possible in a school-within-a-school setting.

A mid-sized school, like Beulah, would deliver alternative programming to students differently than a large school, such as Fargo. Because we lack the staffing capacity and participating students to justify scheduling a highly qualified teacher for every core content area in an alternative program, our program would be staffed by a para-educator with online curriculum being provided off-site via the Internet. The online curriculum provider currently used in Beulah's high school alternative program is Odysseyware, which is capable of providing curriculum for grades 3-12. Founded on research-based educational models, Odysseyware's curriculum reaches digital natives and students who are challenged within the constraints of the traditional classroom. Odysseyware includes courses in the core subjects of history and geography, math, language arts, and science, as well as a variety of electives. To ensure students begin at the appropriate grade level, placement testing is available for elementary, middle, and high school students.

In summary, alternative education should have a well-defined place within middle schools and within communities. The need for alternative education at the middle level is not just a large school issue. Every school of every size has students who, for whatever reason, fail in or disrupt traditional school settings. It is time to develop academically rigorous, engaging alternative schools for nontraditional middle level students. A "do pass" recommendation from this committee on Senate Bill 2150.





- Voluntary Before- and After-School Programs - (5<sup>th</sup>-8<sup>th</sup>) Beulah Middle School offers before- and after-school programs that are designed to provide our students with extra time and support to complete their assigned school work. During before- and after-school programs, students are provided with structure, support, and encouragement to complete school work.
  - The before-school program is held from 7:45-8:10 A.M. daily in Room 105 and staffed by a certified para-educator.
  - The after-school program is held from 3:10-3:45 P.M. Monday-Thursday, excluding days preceding school holidays, in the Band room and staffed by a certified para-educator.
  - Both programs are open to *all* Beulah Middle School students.
  
- 5<sup>th</sup> Period and Mandatory Detention for Excessive 5<sup>th</sup> Period - (5<sup>th</sup>-8<sup>th</sup>) Beulah Middle School recognizes that failure to complete assigned school work is the primary contributor to students' academic failure. Students who have a late or incomplete assignment are required to attend 5<sup>th</sup> Period instead of having a noon recess/social time. The intent of 5<sup>th</sup> Period is to ensure that students do not fall behind academically.
  - Attendance in 5<sup>th</sup> Period is recorded in Powerschool; the code is a "5" if a student is required to attend due to late or incomplete assignments and is *not* recorded if the student attends for another reason (catching up on work following an absence, opting to attend due to after school commitments, etc.)
  - Students who exceed three "5"s in 5<sup>th</sup> period within Quarter 1 must serve 1 hour of detention for every time they are required to attend beyond the third, that number will decrease to two in Quarter 2, one in Quarter 3, and zero in Quarter 4.
  
- Math Intervention and Reading Intervention - (5<sup>th</sup>-6<sup>th</sup>) Math and reading intervention blocks are each 45 minutes long. The intervention blocks are scheduled daily in 5<sup>th</sup> and 6<sup>th</sup> grades where extra adults participate in classrooms daily to provide more one on one and small group instruction in these two crucial content areas. The intervention blocks were made possible by classroom teachers giving up flexibility by adhering to a common schedule and providing scheduling specialists and para-educators to into classrooms during the scheduled intervention blocks.

# TESTIMONY ATTACHMENT II



Education Standards and Practices Board  
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HB 2150 Testimony

Teacher Support System

Good morning Chairs and Members of the Appropriations Education and Environment Division Committees. For the record, I am Janet Welk, Executive Director of the Education Standards and Practices Board and I am happy to testify in support of SB 2150.

Last biennium, the Education Standards and Practices Board received dollars to administer a teacher support system. This support system consists of a program for mentoring of first year teachers and coaching for those teachers that are not first year teachers.

The Teacher Support System Coordinator was hired in August 2009. She worked with representatives from the Title II Teacher Quality Grant mentoring program to revise and edit the existing teacher mentor training program. Mentors were trained and hired spring semester 2010. The majority of the program is based on Charlotte Danielson's "*A Framework for Practice*." Since that time, there have been approximately 360 mentors trained in North Dakota.

ESPB contracted with Learning Point Associates to provide for a third-party evaluation. I received their interim report in December 2010 to be able to

share with you their findings. The evaluation consisted of surveys and an interview of the coordinator. Findings from the mentoring evaluation tell us we are on the right track but still have a lot of work to do. Some highlights from the evaluation include:

- At least 97 percent of mentors agreed or strongly agreed that the training they received was high quality and prepared them for their role.
- Roughly 90 percent of protégés either agreed or strongly agreed that their mentor was appropriately matched.
- We need to do a better job of having first year teachers (nearly half of the first-year teacher surveyed [46 percent] reported that they had not been observed) and also the meeting before and after the observations also needs to occur.
- Some, specifically 29 percent of mentors and 20 percent of first-year teachers disagreed or strongly disagreed that there is an adequate amount of time every week devoted to improving beginning teachers' instruction.
- Page 11, Table 6, provides the breakdown of how the protégé indicated the program has helped their instructional skill. I believe anytime you have 10 percent and above in the "To a Minimal Extent, or Not at All" shows us where we need to improve. Interestingly, the designing of assessment, demonstration of knowledge of content and pedagogy, using assessment in

instruction are all areas that research is telling us we as educators need to improve.

- Page 13, Table 7 is the open-ended item responses. We need to become better with communications regarding the program. I'm not sure if we will reduce the program requirements. National research tells us we need to match by content and grade level our mentors and protégés. This survey from ND is telling us the same information. Also the mentors and protégés indicated they wanted a regional training seminar.
- We also asked why districts did not participate in the program.

Figure 3, page 15 are those responses.

The coaching component of the ESPB Teacher Support System was a bit more difficult to develop. As you recall, the student performance strategist was also implemented that year and the federal Title I dollars were also able to pay for coaches, plus there were coaches provided by the federal Special Education dollars. After holding meetings with all of the agencies and groups involved in coaching, it was determined that we had plenty of dollars for the actual coaches salaries but needed training for the coaches. So it was decided that ESPB would provide the training for the coaches funded by other programs in North Dakota.

JoEllen Killion, vice president of the Learning Forward, formerly the National Staff Development Council, had been in the State working with the Education Commission and sharing her research on coaching. She is highly regarded and came well respected in the field of coaching. ESPB contracted with

the National Staff Development Council, now Learning Forward, to provide the coaches training. Coaches training was provided for six days in Bismarck and in Fargo. At this time, we have 76 coaches in the North Dakota Academy and have supported an additional 12 to attend the Fargo Public Schools academy and also provided dollars for 12 coaches to complete their training that was started through UND. We will be offering an additional 40 slots this spring.

Again, Learning Point Associates provided an interim evaluation of the program. Topics that participants found most relevant were:

- Understanding the roles and responsibilities of an instructional coach.
- Developing skills to manage change and handle resistance.
- Developing instructional coaches.

Topics that participants found most useful were:

- Building the individual capabilities of instructional coaches to work comfortably in a variety of roles and with a variety of teachers.
- Understanding the roles and responsibilities of an instructional coach.
- Developing skills to work collaboratively with other school resource personnel.

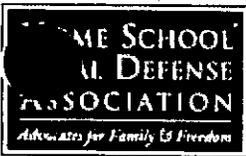
Overall, the majority of participants found three of the four sessions very relevant. Topics that participants found most relevant and useful were:

- Developing questioning skills that promote deep thinking and reflection.

- Practicing and refining communication and relationship skills to influence school cultures and building trusting and productive relationships with their teachers.

Suggestions for improvement included training principals about coaches roles as well as on their role in the program; requiring all coaches to participate in the training; providing more opportunities for sharing between instructional coaches as well as more time working or problem solving with individuals at their tables; using larger meeting space; and providing opportunities to practice norm setting and facilitating meetings.

Thank you for the opportunity to testify on SB 2150. I would be happy to answer any questions at this time.



## ISSUE ANALYSIS

J. Michael Smith, President — Michael P. Farris, Chairman

February 4, 2008

# Early Education Shows No Benefit

*Compelling children to attend school at an earlier age does not yield expected results.*

Compulsory attendance or mandatory kindergarten at early ages is not the way to improve academic excellence. In fact, it may harm the development of young children to force them into the school system at a young age. The studies below demonstrate that compelling 5- and 6-year-olds to attend school is not only unnecessary, but also violates a parent's fundamental right to direct the education of their children, as guaranteed by the 14th Amendment to the U.S. Constitution. *Pierce v. Society of Sisters*, 268 U.S. 510 (1925); *Wisconsin v. Yoder*, 406 U.S. 205 at 233; *Troxel v. Granville*, 530 U.S. 57 (2000).

## Studies Demonstrate the Failure of Early Education Programs

### Massive Study Finds Pre-School and Early Child Education Initiatives Show No Benefit

A six year comparison of almost 35,000 children has shown that there has been no change in developmental levels of pupils entering primary school in this period, despite the introduction of several new early years' initiatives over the past decade, new research from Durham University's Curriculum, Evaluation and Management (CEM) Centre reveals.<sup>1</sup>

A number of child development researchers have recognized that normal children who are admitted to school too early will often become bullies and display developmental problems. Rebecca Marcon, researcher from the University of North Florida, explains:

Children's later school success appears to be enhanced by more active, child-initiated learning experiences. Their long-term progress may be slowed by overly academic preschool experiences that introduce formalized learning experiences too early for most children's developmental status. Pushing children too soon may actually backfire when children move into the later elementary school grades and are required to think more independently and take on greater responsibility for their own learning process.<sup>2</sup>

This finding is not a recent development. As far back as 1987 researchers were concerned with the effects of starting formal education too early, according to a report made that year by Dr. David Elkind, a psychologist at Tufts University, who said:

There is really no evidence that early formal institutionalization brings any lasting or permanent benefits for children. By contrast, the risk to the child's motivation, intellectual growth, and self-esteem could well do serious damage to the child's emerging personality. It is reasonable to conclude that the early instruction of young children derives more from the need and priorities of adults than from what we know of good pedagogy for young children.<sup>3</sup>

One of the most widespread sources of childhood stress is the separation of children from their parents at young ages. Karl Zinsmeister, Adjunct Research Associate at the American Enterprise Institute for Public Policy Research, says:

Declining parental attachment is an extremely serious risk to children today. The verdict of enormous psychological literature is that time spent with a parent is the very clearest correlate of healthy child development.<sup>4</sup>

Research indicates it is advisable to move away from formal academic instruction to a developmental approach for early childhood education. Children who are at home with their parents can develop the skills necessary for learning in a day-to-day setting and thus be prepared for an academic setting.<sup>5</sup>

Like Jean Piaget, long respected in the academic community for his studies in developmental research, found a child's cognitive abilities usually show maturity between the ages of 7 and 9. Many children are put at risk by compulsory attendance statutes that do not take into account slower maturation rates.<sup>6</sup>

In a report, entitled, "The Influence of Preschool Centers on Children's Development Nationwide: How Much Is Too Much?", by UC

Berkeley and Stanford, the authors found that the social skills of white, middle-class children suffer after attending preschool centers for more than six hours a day, compared to those who remain at home with a parent prior to starting school.<sup>7</sup>

The U.S. Department of Health and Human Services prepared a technical analysis paper outlining research that has been done on the Head Start programs across the country. The paper, prepared by Sharon M. McGroder, Office of the Assistant Secretary for Planning and Evaluation on March 29, 1990, finds that the benefits of Head Start Programs tend to “fade out” by second or third grade.<sup>8</sup>

More specifically, in The Westinghouse Study of 1969, the results found that “Summer programs were found to have no lasting impact. Full-year programs resulted in cognitive and language gains at the first grade level but appeared to ‘fade out’ by second or third grade.”<sup>9</sup>

The Head Start Synthesis Project of 1985 found that, “Significant, immediate gains in cognitive test scores, socioemotional test scores, and health status, (though) in the long-run, cognitive and socioemotional test scores of former Head Start students do not remain superior to those of disadvantaged children who did not attend Head Start.”<sup>10</sup>

In a study by Copple, Cline, & Smith, researched in 1987, the results showed that, “Head Start children performed slightly (but non-significantly) better on achievement tests than their non-Head Start peers up to third grade, but there was no difference on achievement test scores from third to sixth grade.”<sup>11</sup>

Another 1987 study used three different Head Start delivery models to compare the relative effects on parents and children. The three models were center-based, home-based, and a combination of center and home-based. The study then measured from the time children were enrolled in Head Start through kindergarten and found that, “No difference was found in children’s cognitive development across the three delivery models. Parents enrolled in the home-based model demonstrated greater gains in academic stimulation of their children; in the use of toys, games, and reading material; and in encouraging their children to learn. Home-based parents also demonstrated greater growth in knowledge of child development and parent empowerment. (University of Delaware, 1988).”<sup>12</sup>

A report published February 6, 2007 by the Goldwater Institute examines Stanford 9 test scores and finds Arizona kindergarten programs initially improve learning but have no measurable impact on reading, math, or language arts test scores by fifth grade. Darcy Olsen, president of the Goldwater Institute, says, “This report demonstrates that all-day kindergarten is not an education reform strategy that policymakers can hang their hats on. All-day k delivers short-term benefits at best.”

The data show that students in schools with all-day kindergarten programs have statistically significant higher 3rd-grade test scores, but there is no impact on 5th-grade scores. This finding is consistent with previous research. Schools facing significant competition for students, whether through public or private options, demonstrate significant test score gains.

The findings of this empirical analysis demonstrate that early childhood education expansion is an expensive reform that delivers only transitory benefits. School choice uses resources more efficiently and delivers improved academic achievement.<sup>13</sup>

You can find the full article highlighting this new study here:

- EducationNews.org: All-Day Kindergarten Failing as Education Reform;
- Putting Arizona Education Reform to the Test: School Choice and Early Education Expansion: The executive summary;
- The full Goldwater Study.

In the largest study on child care and development, conducted by the National Institute of Child Health and Human Development, researchers found that the more time children spent in child care, the more likely their sixth-grade teachers were to report behavioral problems. In a press release regarding the study, researchers said, “parenting quality was a much more important predictor of child development than was type, quantity, or quality, of child care. . . . One possible reason why relations between center care and problem behavior may endure is that primary school teachers lack the training as well as the time to address behavior problems, given their primary focus on academics.”<sup>14</sup>

Lisa Snell, Director of Education and Child Welfare at the Reason Foundation, in her article titled “Don’t Expect Long-Term Gain From Early Education Money,” discusses the absurdity of Michigan considering another investment of hundreds of millions of taxpayer dollars to public prekindergarten programs that just aren’t showing any return. Snell writes in her article that “policymakers [should not] be focusing scarce education resources on programs that can [not] make a lasting difference.” She reinforced her statements by quoting from The National Center for Education Statistics Early Childhood Longitudinal Study, which found that there were no “substantive differences in children’s third-grade achievement relative to the type of kindergarten program (full-day vs. half-day) they attended.” The article also cites the California-based RAND Corp.’s December 2006 report, “School Readiness, Full-Day Kindergarten, and Student Achievement” which found that children in the full-day kindergarten programs were showing decreased mathematics skills by the time they were in fifth grade, than those who had only attended a part-day kindergarten program.<sup>15</sup>

## **Lack of Results in International Early Education Programs**



Early education is a growing concern to many countries around the world. Much of this concern has been centered in Europe, where governments provide care and schooling for children as young as a year old. Billions of dollars are spent on these programs, which are designed to give children a head start in their education and socialization. But is there documentable evidence that early education has made a difference in the academic progress of these children?

This question can be answered by a recent study that compared the academic scores of children from many of the industrialized nations of the world. In 2000, the Program for International Student Assessment (PISA) was conducted, which tested children from 32 nations in the areas of reading literacy, mathematics, and science.<sup>16</sup> The results showed that children who have to start school at a very young age did not consistently do better than those who can start later. A similar assessment, the Third International Mathematics and Science Study (TIMSS), revealed comparable results.<sup>17</sup>

The country of Finland was a standout in both of these international assessments, ranking near or at the top in all tested subjects. These impressive results were achieved despite the fact that school attendance in Finland is not compulsory until age 7, later than almost any other European country.<sup>18</sup>

Japan, Korea, and Singapore also had some of the highest scoring students in the PISA and TIMSS assessments, but none of these countries have fully developed early education programs. Japan's early education is probably the most comprehensive out of the three, and even there substantial numbers of children do not attend any school before 1st grade. Singapore does not have any publicly funded early education.<sup>19</sup>

Some of the lower scoring countries in PISA were Sweden and Greece, which both emphasize early education. Sweden has some of the most comprehensive childcare in Europe, with the vast majority of children ages 1-12 having a place in a publicly funded child-care center. Even with this emphasis, however, Sweden ranked among the average countries in the PISA test, and Greece was among the five worst nations in all three subject areas.<sup>20</sup>

## High Costs and Low Results Incurred by Early Education Programs

Expanding the number of children required to attend school increases state education costs and thereby may mean an increase in taxes. Such an instant expansion of the student population requires the hiring of more teachers, more truant officers, and more administrative staff. While the change in some school districts may be negligible, the change to the combined school districts of a state would produce a significant increase in state revenues.

When a lowering of compulsory attendance age was considered in Alabama in 1991, the Alabama Legislative Fiscal Offices estimated the cost of the change to be at least \$4.7 million per year.<sup>21</sup> In 1998, when Connecticut considered lowering its compulsory attendance age, a state department of education representative testified that one town (Enfield, CT) would require 13 new classrooms while another (Meridian, CT) would need 20 additional classrooms.<sup>22</sup>

The cost increase can also be seen in the voluntary preschool programs which are present in many of the states. Jane Carroll Andrade, a writer for *State Legislatures* magazine, reported that "Today, 42 states and the District of Columbia fund preschool programs of one kind or another, spending about \$2 billion a year."<sup>23</sup>

Also consider Head Start, a federal program that began providing services in 1965 with an enrollment of 561,000 children and a budget of just over \$96 million. By 2000, the enrollment had only grown to 860,000 children, but the budget had increased dramatically, costing taxpayers over \$5 billion dollars. That is a 5,108% growth rate in spending with only a 53% increase in enrollment.

The most important goal of any education program is that children be educated. Studies of Head Start, however, demonstrate that early education produces no apparent academic benefits. In its early years, extensive studies were undertaken to prove Head Start worked. But the opposite turned out to be true. In 1969, the Westinghouse Learning Corporation found no difference in the behavior and educational achievement between Head Start and other underclass children.

Sixteen years later, the CRS Synthesis Project study, commissioned by HHS, came to the same conclusion. Although children showed "immediate gains," by the second grade "there are no educationally meaningful differences."<sup>24</sup>

## State-by-State Comparison

A comparison of compulsory attendance laws across the nation shows that requiring young children to attend school may be largely unnecessary. Only eight states and the District of Columbia require attendance of 5-year-olds, and six of those nine allow exemptions for parents to withhold their children from school until age 6. The other 41 states allow parents to wait until their children are 6, 7, or even 8 years old before beginning formal education.<sup>25</sup>

During the 2007 legislative session, 12 states attempted to lower the school entrance age, one of which actually passed (Colorado), while

another one is still being decided upon. Several of these bills would have lowered the age of entrance to 5. In 2001, the District of Columbia even contemplated a bill which would have required a child to be enrolled in some type of school setting if the child turns 3 on or before September 31. Thus, even some 2-year-olds would have been subject to DC's compulsory attendance law.

In any case, testimony in the 1998 Connecticut hearings estimated that only 3–9% of the state's eligible children were kept out of kindergarten by their parents.<sup>26</sup> It seems unnecessary for a state to spend so much time and money compelling attendance on what arguably may only be 3% of the state's 5- and 6-year-olds.

This is especially true when considered in the light of the results from National Assessment of Education Progress (NAEP) tests administered to schoolchildren in all 50 states. Scores of children from states that have low compulsory attendance ages (5-6) did not score any higher than children from the other states, and in some subjects their average was actually lower.<sup>27</sup>

The NAEP scores demonstrate that no real academic results have come from a lowered compulsory age, and therefore the higher cost of early education is not justified.

## Conclusion

Rushing children into formal education too soon will exact a heavy toll on the development of those children and weaken the role of family in their lives. The resulting social problems will place even greater demands on private and government agencies and more pressure on taxpayers. Not only is compulsory attendance for young children unnecessary and expensive, but it is counter-productive, thwarting parents who want to spend more time with their children.

Educational public policy should encourage excellence and responsibility in parenting so that children will develop emotionally and socially, will achieve academically, and will be better able to handle the challenges of adulthood when they mature.

*Prepared by the legal staff of the Home School Legal Defense Association.  
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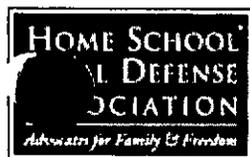
### Footnotes:

1. <http://www.lifesite.net/ldn/2007/aug/070831.htm>
2. Marcon, Rebecca. "Moving up the Grades: Relationship between Preschool Model and Later School Success," *Early Childhood Research and Practice*, Spring 2002.
3. Elkind, David. "Making Healthy Educational Choices," *Miseducation: Pre-schoolers at Risk*, 1987.
4. Fuller, Cheri. "Early Schooling: An Idea Whose Time Has Gone?" *Southwest Policy Institute Policy Study*, No. 2, 1989, p. 3.
5. Lynn, Lee Anne and Vicki Winstead. "Mandatory kindergarten means parents lose even more control." *The Birmingham News*, June 5, 1991.
6. Ibid.
7. UC Berkeley/Stanford report, "The Influence of Preschool Centers on Children's Development Nationwide: How Much Is Too Much?"—(will appear later this year in *Economics of Education Review*). Can currently be found at [http://pace.berkeley.edu/pace\\_publications.html](http://pace.berkeley.edu/pace_publications.html)
8. McGroder, Sharon M., "Head Start: What Do We Know About What Works"—U.S. Department of Health and Human Services
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10. Ibid.
11. Ibid.
12. Ibid.

13. EducationNews.org: All-Day Kindergarten Failing as Education Reform; Putting Arizona Education Reform to the Test: School Choice and Early Education Expansion: The executive summary; The full Goldwater Study.
14. Belsky, Jay Ph.D. "Early Child Care Linked to Increases in Vocabulary, Some Problem Behaviors in Fifth and Sixth Grade," NIH News, March 26, 2007.
15. Snell, Lisa. "Don't Expect Long-Term Gain from Early Education Money," published by *The Michigan Education Report*, Fall 2007 Issue.
16. 2000 Program for International Student Assessment (PISA), published by the Organization for Economic Cooperation and Development.
17. Benchmarking Report Third International Mathematics and Science Study: 1999 —Eighth Grade (TIMSS).
18. Ibid.
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22. Testimony before the Connecticut House Finance, Revenue, and Bonding Committee meeting, March 27, 1998.
23. Andrade, Jane Carroll. "Kindergarten May Be Too Late," *State Legislatures*, June 2002, p. 24.
24. Rockwell, Llewellyn H. "Dead Start," *Free Market*, January 1991, p. 2.
25. Klicka, Christopher J. *Home Schooling in the United States: A Legal Analysis*, Home School Legal Defense Association, 1985, 1998.
26. Testimony before the Connecticut House Finance, Revenue, and Bonding Committee meeting, March 27, 1998. Elaine Zimmerman, Executive Director of the Commission on Children and George Coleman of the Connecticut State Department of Education Division of Educational Programs and Services Bureau of Early Childhood Education and Social Services..
27. Reading scores based on 1998 *NAEP Reading Assessment*; Math scores taken from 2000 *NAEP Mathematics Report Card*.

Supported by the





November 7, 2007

## Raising the Compulsory Attendance Age Fails to Achieve Significant Results

A recent legislative trend is to raise the age of compulsory school attendance to age 17 or 18. This legislation results in an increase in government spending, increased taxation, and a removal of parent's rights to make educational choices for their children while achieving few academic and social benefits.

Twenty-two states attempted to raise the age of attendance during the 2007 legislative season, three of which passed. Several arguments are offered to support this move toward expanding the age of attendance, but the benefits do not come near the anticipated results.

### Reducing the Dropout Rate

Proponents of raising the compulsory attendance age argue that this measure will reduce the dropout rate and result in higher graduation percentages. In fact, a comparison of the dropout rates in the United States reveals that states with compulsory attendance until age 16 have a higher average for high school completion than the states which require attendance until 17 or 18<sup>1</sup>. Additionally, states which compel attendance to 16 have a lower dropout rate than the states that compel attendance until 18<sup>2</sup>. Thus, raising the age of attendance will not result in greater high school completion.

### Preventing Juvenile Crime

Many supporters of the movement to expand the compulsory attendance age argue that keeping children in school until they are 17 or 18 will prevent juvenile crime, as children will be in school rather than out on the streets. In a comparison of juvenile arrest rates released by the Office of Juvenile Justice and Delinquency Prevention, there is a strong showing of evidence that compulsory attendance ages have no effect on juvenile crime<sup>3</sup>. The violent crime and property crime indexes reveal many factors that contribute to juvenile delinquency. However, there is no support for the proposition that keeping children in school will reduce crime rates.

### High Cost, Low Results

The financial burden resulting from expanding the compulsory attendance age should be considered. Teachers, classrooms, facilities, and transportation for the increased level of students impose severe burdens on taxpayers<sup>4</sup>.

While cost alone should not be a determining factor, the evidence shows that raising the compulsory attendance age does not produce the results anticipated. Thus, the increase in funding will not produce any noticeable difference in the quality of students graduating.

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1. *Dropout Rates in the United States*: National Center for Education Statistics, U.S. Department of Education, Office of educational Research and Improvement, Doc. No. NCES 2002-114. John Hopkins research using Department of Education results for 2004, 2005, and 2006: <http://hosted.ap.org/specials/interactives/wdc/dropout/index.html?SITE=AP>
2. *Ibid.*
3. Table of arrests adapted from H. Snyder, *Juvenile Arrests 1999*.
4. Washington, D.C.: Office of Juvenile Justice and Delinquency Prevention, 2000. Ex-ante Evaluation of a Policy Increasing the Compulsory School Attendance (CSA) Age *From 16 to 18 in the State of New York; specifically looking to see if such a policy will decrease withdrawal prior to graduation and enhance high school completion rates*; Cornell Study by Mary Burkhauser, written for Assemblywoman Michelle Thomas, October 2002

Supported by the



Sixty-second  
Legislative Assembly  
of North Dakota

ENGROSSED HOUSE BILL NO. 1106

Introduced by

Education Committee

(At the request of the State Board of Higher Education)

1 A BILL for an Act to amend and reenact section 15.1-21-02.6 of the North Dakota Century  
2 Code, relating to eligibility for North Dakota academic and career and technical scholarships.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. AMENDMENT.** Section 15.1-21-02.6 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6 **15.1-21-02.6. North Dakota scholarship - Amount - Applicability.**

- 7 1. The state board of higher education shall provide to any student certified as being  
8 eligible by the superintendent of public instruction either a North Dakota academic  
9 scholarship or a North Dakota career and technical education scholarship in the  
10 amount of seven hundred fifty dollars for each semester or five hundred dollars for  
11 each quarter during which the student is enrolled full time at an accredited institution of  
12 higher education in this state and maintains a cumulative grade point average of 2.75.
- 13 2. A student is not entitled to receive more than six thousand dollars under this section.
- 14 3. The state board of higher education shall forward the scholarship directly to the  
15 institution in which the student is enrolled.
- 16 4. This section does not require a student to be enrolled in consecutive  
17 semestersacademic terms. However, a scholarship under this section is valid only for  
18 six academic years after the student's graduation from high school and may not be  
19 applied to graduate programs. Students receiving a scholarship who fail to maintain a  
20 cumulative grade point average of 2.75 are not eligible for additional scholarship funds  
21 under this section.
- 22 5. A scholarship under this section is available to any eligible student who graduates  
23 from a high school in this state or from a high school in a bordering state under  
24 chapter 15.1-29.

- 1        6. Notwithstanding the provisions of this section, if during any semester or quarter a  
2        student fails to maintain a cumulative grade point average of 2.75, the state board of  
3        higher education shall notify the student that the requirements of this section have not  
4        been met and that if the student fails to increase the student's cumulative grade point  
5        average to at least 2.75 during the ensuing semester or quarter, the student will not be  
6        eligible for additional scholarship funds under this section. The provisions of this  
7        subsection are applicable only one time during a student's college or university  
8        programs.
- 9        7. For purposes of this section, full-time enrollment status is defined by the institution at  
10       which a student is enrolled.

# TESTIMONY ATTACHMENT 1

**TESTIMONY ON SB 2150  
HOUSE EDUCATION COMMITTEE  
March 21, 2011  
by John Porter, Special Education Director  
701-640-1421  
South Valley Special Education Unit**

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Madam Chairman and members of the committee:

My name is John Porter and I am the Special Education Director for the South Valley Special Education Unit in Ransom, Sargent, and Richland Counties. I am here to speak in favor of the amendments to Senate Bill 2150 as proposed by Representative Wall.

The amendment being proposed is due to a financial issue that schools having been struggling. The issue is related to transportation of students with disabilities. Due to the specific nature of some student's disabilities schools are occasionally unable to meet a student's needs in the public school in which the student resides. This happens more frequently in small rural schools. In the case a school district is unable to meet a student's needs the Individual Education Program (IEP) Team may determine that the student's needs are best met by attending a neighboring school or private facility. If the IEP team determines that the student's needs are best met outside of the resident school district, the IEP team may determine that the student will require transportation as a related service. The definition of related services in The Individuals with Disabilities Education Act (Sec. 300.34 Related services) and North Dakota Century Code (NDCC 15.1-32-01) both include transportation. NDCC Section 15.1-32-16 further states "*If a student's individualized education program or services plan requires the provision of transportation services, the student's school district of residence shall provide the services by any reasonably prudent means, including a regularly scheduled school bus, public transit, commercial*



*transportation, chartered or other contracted transportation, and transportation provided by the student's parent or other responsible party.*" This makes it obvious that a district has an obligation to meet the student's needs by providing if necessary transportation as a related service.

The current funding for transportation costs for a student in which their family provides transportation is at a rate of 40 cents per mile minus the first two miles per one way trip. This does not adequately reimburse a school district for the costs they are paying toward transportation. Here is an example of the costs for a school district:

75 miles to school morning, 75 miles home from school morning, 75 miles to pick up from school afternoon, 75 miles home afternoon = 300 total miles per day

District/unit cost reimbursement to parents at state rate \$0.55 per mile.

$300 \times .55 = \$165$  per day

$\$165 \times 174 \text{ days} = \mathbf{\$28,710}$  for the school year.

The amount received from the state according to the formula

$.40 \times 73 \text{ miles} \times 2 \text{ trips per day} = \$58.40$  per day

$\$58.40 \times 174 \text{ days} = \mathbf{\$10,161.60}$  per school year

As you can see the costs can get quite high especially if you consider that the district is already paying approximately \$35,000 for the education costs. This would mean a district would be obligated to pay more than \$50,000 to educate one student. I have attempted to work with the Department of Public Instruction to have transportation costs covered under the current student contract system as a special education related service. The Department suggested it would be better to include these costs in an amendment to the current transportation block grant.

Currently the data I have show that the total costs for this amendment would be approximately \$72,000 (156,000 miles times \$0.46).

Chairperson Kelsch, this concludes my testimony. I would be happy to answer any questions the committee may have.

# TESTIMONY ATTACHMENT I

**House Education Committee**  
**March 23, 2011**  
**STEC PLAN PROPOSAL**  
**Testimony by NDSBA, NDEA, NDCEL**

1. Provide a "Weighting Factor Model" which parallels current funding formula:
  - a. Set weighting factor to match funds available.
  - b. Funds for STEC Plans approved by Review Panel would provide for districts to apply that weighting factor based on the number of students affected by teachers participating in the Plan.
  - c. Keep weighting factor out of the equalization part of the formula, but retain all properties of the formula.
  - d. Apply school size formula adopted in SB2200 (2007) to provide some "equalization" in the formula for school districts with 185 or fewer students.
  
2. Provide carry over authority for any supplemental teacher effectiveness compensation plan funds received by a school district for use in 2013-15.
  - a. Beginning April 2012 for when applications may be received and approved by review panel but not make it a "deadline" date for applying.
  - b. Approved school districts will receive no additional STEC Plan funds until the funds allotted in 2011-2013 are expended and the Review Panel approves the continuation of the STEC Plan.
  
3. Change the weighting factor in the formula from a .06 factor to a .04 factor which would reduce the available funding level from \$7.5 million to \$5 million (would fund 25,000 ADM at about \$200).
  - a. Funds not expended will be distributed on the foundation aid formula on May 31, 2013 except for schools with an approved STEC Plan.
  - b. Providing up to 5% of the moneys for additional expenses incurred directly to the administration and planning of the STEC Plan.
  
4. Address duties of the review panel following Section 29 of the bill so that review panel can:
  - a. Receive plans in a timely manner.
  - b. Have needed time to properly review each plan submitted and select among those submissions those plans which have the greatest potential for becoming viable, long-term alternatives for determining teacher compensation.
  - c. Allow for a plan that has been denied to be modified and resubmitted for consideration.
  - d. Select to fund small, medium, and large school districts if the costs of funding of all plans recommended by the panel exceeds resources available; and
  - e. Fund no more than 25,000 ADM.

5. Address the funding inequities in the formula and cost for a school district to run a STEC Plan by:
  - a. School districts of fewer than 250 ADM will receive a minimum of \$1500 per participating FTE.
  
6. Ensure that the STEC Plan provides for the review panel to be able to:
  - a. Develop and distribute guidelines related to the creation of supplemental teacher effectiveness compensation plans.
  - b. Meet with and advise school district plan development committees to provide them assistance with their plans; and
  - c. Provide advice to the superintendent of public instruction when hiring a supplemental teacher effectiveness compensation plan advisor who will assist the plan review committee.

**Estimates for Supplemental Teacher Effectiveness Compensation**

Per Student Rate

Implemented second year

Factor 0.0500  
 Rate \$3,979  
 Minimum Per Teacher \$2,000  
 Maximum Per Teacher \$9,999

Funding generated as ADM x factor x size factor x per student rate ... subject to a Minimum Per Teacher and Maximum Per Teacher amount.

ID	District	Teachers	Licensed Staff	ADM	Factor	wADM	Factor	wsu	Rate	Funding	Funding Per	
											Teacher	Tier
09-001	Fargo 1	800	957	10,715	0.05	535.75	1.0000	535.75	\$3,979	2,131,749	2,665	1
30-001	Mandan 1	230	279	3,374	0.05	168.70	1.0000	168.70	\$3,979	671,257	2,919	2
47-001	Jamestown 1	165		2,134	0.05	106.70	1.0000	106.70	\$3,979	424,559	2,573	2
36-001	Devils Lake 1	131	154	1,643	0.05	82.15	1.0000	82.15	\$3,979	326,875	2,495	2
39-037	Wahpeton 37	92	110	1,218	0.05	60.90	1.0000	60.90	\$3,979	242,321	2,634	2
43-008	Selfridge 8	11	14	69	0.05	3.45	1.2500	4.31	\$3,979	22,000	2,000	3
39-018	Fairmount 18	14	16	123	0.05	6.15	1.2500	7.69	\$3,979	30,599	2,186	3
28-001	Montefiore 1	18	22	200	0.05	10.00	1.2400	12.40	\$3,979	49,340	2,741	3
21-001	Mott-Regent 1	24	28	225	0.05	11.25	1.2200	13.73	\$3,979	54,632	2,276	3
27-036	Mandaree 36	26	30	226	0.05	11.30	1.2200	13.79	\$3,979	54,870	2,110	3
28-004	Washburn 4	21	25	251	0.05	12.55	1.2000	15.06	\$3,979	59,924	2,854	3
02-007	Barnes County N	37	43	291	0.05	14.55	1.1767	17.12	\$3,979	74,000	2,000	3
23-008	LaMoure 8	22	28	304	0.05	15.20	1.1200	17.02	\$3,979	67,723	3,078	3
14-002	New Rockford-SI	29	33	336	0.05	16.80	1.0800	18.14	\$3,979	72,179	2,489	3
11-040	Ellendale 40	29	34	359	0.05	17.95	1.0700	19.21	\$3,979	76,437	2,636	3
34-006	Cavalier 6	34	40	410	0.05	20.50	1.0200	20.91	\$3,979	83,201	2,447	3
35-005	Rugby 5	47	55	553	0.05	27.65	1.0200	28.20	\$3,979	112,208	2,387	3
05-001	Bottineau 1	51	61	587	0.05	29.35	1.0200	29.94	\$3,979	119,131	2,336	3
40-001	Dunseith 1	46	54	612	0.05	30.60	1.0100	30.91	\$3,979	122,991	2,674	3
09-002	Kindred 2	44	52	676	0.05	33.80	1.0100	34.14	\$3,979	135,843	3,087	3
<b>Total</b>		<b>1,871</b>	<b>2,035</b>	<b>24,306</b>		<b>1,215.30</b>		<b>1,236.77</b>		<b>4,931,839</b>	<b>2,636</b>	

**Cost Per**

Teachers	2,636
Licensed Staff	2,424
ADM	203
wADM	4,058
wsu	3,988
Tier 1	10,715 ADM
Tier 2	8369 ADM
Tier 3	5222 ADM

April 2011

## COMPARISON OF SENATE BILL NO. 2150 VERSIONS AND ASSOCIATED ESTIMATED STATE FISCAL EFFECTS

- Senate Bill No. 2150, as amended by the House Education Committee, will require the following estimated funding considerations in Senate Bill No. 2013:
- (\$68,000) - Decrease in operating expenses for the Professional Development Advisory Committee (Section 6).
  - (\$2,200,000) - Decrease in state school aid for the changes in per student payment rates (Section 23).
  - \$4,000,000 - Increase in state school aid or a separate line item for the supplemental teacher-effectiveness compensation program (Section 30).
  - \$300,000 - Increase in operating expenses for the Alternative Teacher Compensation System Review Panel (Section 36).
  - \$5,000,000 - Increase in state school aid for rapid enrollment grants (Section 44).
  - \$7,032,000 - Total.

As Introduced	Senate Version/Fiscal Effect	House Education Committee Amendments
N/A	N/A	Section 1 This section delays the requirement that school districts increase their school calendars by one day, from 181 days to 182 days (175 of which are for instruction) until the 2012-13 school year. The executive recommendation included, and the Senate approved, funding for the additional calendar day to begin with the 2011-12 school year. The estimated savings to school districts of the delayed implementation is \$3.6 million. However, the per student payment rates provided in Section 23 reflect a total reduction in state school aid of approximately \$2.2 million from the Senate version of the bill.
Section 1 <b>(Amendment of Section 15.1-07-33) Student Information System - Statewide Coordination - Financial Support - Exemption</b> This section directs the Superintendent of Public Instruction to forward that portion of a school district's state aid which is attributable to the acquisition and use of PowerSchool and any related technology support services directly to the Information Technology Department. If the amount forwarded exceeds the cost incurred by the Information Technology Department, it must be returned to the school district as per student payments. This section also allows the Superintendent of Public Instruction to exempt a school district from having to acquire and utilize PowerSchool if it demonstrates that it is using a comparable system in accordance with Bureau of Indian Education requirements.	Section 1 No change	Section 2 No change

*SB 2150  
Dept. of Public Instruction  
4/11/11  
Attachment #1*

As Introduced	Senate Version/Fiscal Effect	House Education Committee Amendments
<p><b>Section 2</b> (Amendment of Section 15.1-09-68) <b>Early Childhood Education - Authorization - Support</b></p> <p>This section authorizes the board of a school district to support an early childhood education program with local tax revenues, as well as state and federal money, and gifts, grants, and donations.</p>	<p><b>Section 2</b> (Amendment of Section 15.1-09-68) <b>Early Childhood Education - Authorization - Support</b></p> <p>This section authorizes the board of a school district to support an early childhood education program with local tax revenues, other than those necessary to support the district's kindergarten program and the provision of elementary and high school educational services, as well as state and federal money, and gifts, grants, and donations.</p>	<p><b>Section 3</b></p> <p>This section authorizes the board of a school district to support an early childhood education program with local tax revenues, other than those necessary to support the district's kindergarten program and the provision of elementary and high school educational services, as well as federal money, and gifts, grants, and donations. The reference to "state moneys specifically appropriated for the program" was removed.</p>
<p><b>Section 3</b> (Amendment of Section 15.1-09.1-02) <b>Regional Education Association - Joint Powers Agreement - Review by Superintendent of Public Instruction - Criteria</b></p> <p>This section removes the list of administrative functions and student services that were statutorily required of a regional education association.</p>	<p><b>Section 3</b></p> <p>This section removes the list of administrative functions and student services that were statutorily required of a regional education association. In addition, it provides that each member of the governing board must be an individual currently serving on the board of a participating school district or the designee of a participating school district's board.</p>	<p><b>Section 4</b></p> <p>No change from second engrossment</p>
<p><b>Section 4</b> (New Section to Chapter 15.1-09.1) <b>Regional Education Association - Services to Be Offered</b></p> <p>This section requires a regional education association to offer coordination and facilitation of professional development activities for teachers and administrators employed by its member districts; supplementation of technology support services; assistance with achieving school improvement goals identified by the Superintendent of Public Instruction; assistance with the collection, analysis, and interpretation of student achievement data; and assistance with the expansion and enrichment of curricular offerings.</p>	<p><b>Section 4</b></p> <p>No change State fiscal effect - Regional education associations are being given more prescriptive duties. Additional staff and associated expenses should be expected. Section 7 of Senate Bill No. 2013 authorizes the Superintendent of Public Instruction to expend up to \$800,000 from the state school aid line item for the purpose of providing grants to eligible regional education associations to assist with the cost of compensating coordinators, an increase of \$400,000 from the 2009-11 biennium.</p>	<p><b>Section 5</b></p> <p>No change State fiscal effect - Regional education associations are being given more prescriptive duties. Additional staff and associated expenses should be expected. Section 7 of Senate Bill No. 2013 authorizes the Superintendent of Public Instruction to expend up to \$800,000 from the state school aid line item for the purpose of providing grants to eligible regional education associations to assist with the cost of compensating coordinators, an increase of \$400,000 from the 2009-11 biennium.</p>
<p><b>Section 5</b> (New Section to Chapter 15.1-18.2) <b>Professional Development Advisory Committee - Compensation of Members</b></p> <p>This section provides per diem compensation in the amount of \$135 to and expense reimbursement for members of the Professional Development Advisory Committee.</p>	<p><b>Section 5</b> (New Section to Chapter 15.1-18.2) <b>Professional Development Advisory Committee - Reimbursement of Members</b></p> <p>This section provides expense reimbursement for members of the Professional Development Advisory Committee. State fiscal effect - Funding for the expenses of the committee of \$122,000 from the general fund is included in the operating expenses line item of Senate Bill No. 2013. Of this amount, \$30,000 relates to the per diem. The Senate did not reduce the operating expenses line item of the Department of Public Instruction by \$30,000, but allowed the department to use this additional funding to offset a shortfall in funding for the written portion of the ACT and WorkKeys assessments.</p>	<p><b>Section 6</b></p> <p>This section provides expense reimbursement for each member of the Professional Development Advisory Committee. However, the section also limits that reimbursement to three committee meetings during each year of the biennium. State fiscal effect - Funding for the expenses of the committee of \$122,000 from the general fund is included in the operating expenses line item of Senate Bill No. 2013. Of this amount, \$30,000 relates to the per diem. The Senate did not reduce the operating expenses line item of the Department of Public Instruction by \$30,000, but allowed the department to use this additional funding to offset a shortfall in funding for the written portion of the ACT and WorkKeys assessments. The House limited the number of meetings to six per biennium. Estimated cost for six meetings is \$24,000, an additional savings of \$68,000.</p>

As Introduced	Senate Version/Fiscal Effect	House Education Committee Amendments
<p><b>Section 6</b></p> <p><b>(New Section to Chapter 15.1-18.2)</b>  <b>Teacher Support Program - Establishment</b></p> <p>This section places the teacher mentoring program operated by the Education Standards and Practices Board into the North Dakota Century Code.</p>	<p><b>Section 6</b></p> <p>No change</p> <p>State fiscal effect - Sections 6, 7, and 8 relate to the teacher monitoring program which is being codified in this Act. Section 48 of 2009 House Bill No. 1400 limited the service to teachers employed by school districts. Senate Bill No. 2013 provides \$2.3 million for the teacher mentoring program, the same as the 2009-11 biennium.</p>	<p><b>Section 7</b></p> <p>No change</p> <p>State fiscal effect - Sections 7, 8, and 9 relate to the teacher monitoring program which is being codified in this Act. Section 48 of 2009 House Bill No. 1400 limited the service to teachers employed by school districts. Senate Bill No. 2013 provides \$2.3 million for the teacher mentoring program, the same as the 2009-11 biennium.</p>
<p><b>Section 7</b></p> <p><b>(New Section to Chapter 15.1-18.2)</b>  <b>Teacher Support Program -</b>  <b>Availability of Services</b></p> <p>This section authorizes the Education Standards and Practices Board to use any money it receives for the teacher support program to provide staff compensation, training, evaluation, and stipends for mentors and experienced teachers who assist first-year and non-first-year teachers participating in the program and to pay for any other administrative expenses resulting from the program.</p>	<p><b>Section 7</b></p> <p>No change. See note regarding Section 6.</p>	<p><b>Section 8</b></p> <p>No change. See note regarding Section 7.</p>
<p><b>Section 8</b></p> <p><b>(New Section to Chapter 15.1-18.2)</b>  <b>Teacher Support Program -</b>  <b>Authorized Service Recipients</b></p> <p>This section makes the teacher support program available to teachers employed by school districts, special education units, area career and technology centers, regional education associations, and schools funded by the Bureau of Indian Education.</p> <p>N/A</p>	<p><b>Section 8</b></p> <p>No change. See note regarding Section 6.</p>	<p><b>Section 9</b></p> <p>No change. See note regarding Section 7.</p>
<p><b>Section 9</b></p> <p><b>(Amendment of Section 15.1-21-02.1)</b>  <b>High School Diploma -</b>  <b>Minimum Requirements</b></p> <p>This section clarifies that in order to obtain a high school diploma, a student must have successfully completed the statutorily required 22 units of high school coursework and any additional units required by the entity issuing the diploma.</p>	<p><b>Section 9</b></p> <p><b>(Amendment of Section 15.1-20-01)</b>  <b>Compulsory Attendance</b></p> <p>This section provides that a student's formal schooling must begin with a kindergarten program that meets the requirements of Section 15.1-22-02 and must include all other grades from 1 through 12. The section sets the ages of compulsory attendance at 6 and 16 through June 30, 2015, and at 6 and 17 thereafter. The fiscal note prepared by the Department of Public Instruction did not estimate the cost of adding students to the state aid payment.</p>	<p><b>Section 10</b></p> <p>No change</p> <p>This section was removed by the House Education Committee.  The Department of Public Instruction did not estimate the cost of the compulsory attendance provisions, so savings related to removing the provisions are not identifiable.</p>



As Introduced	Senate Version/Fiscal Effect	House Education Committee Amendments
<p><b>Section 10</b>  <b>(New Section to Chapter 15.1-21)</b>  <b>High School Graduation -</b>  <b>Minimum Requirements</b>                      This section articulates the 22 units of high school coursework that constitute the minimum requirement for high school graduation.</p>	<p><b>Section 11</b>                      No change</p>	<p><b>Section 11</b>                      No change</p>
<p><b>Section 11</b>  <b>(Amendment of Section 15.1-21-02.4)</b>  <b>North Dakota Career and</b>  <b>Technical Education Scholarship</b>                      This section clarifies the requirements for a North Dakota career and technical education scholarship and provides that the requirements for a 3.0 grade point average (GPA) may be calculated using all high school units in which the student was enrolled or only the statutorily required units.</p>	<p><b>Section 12</b>  <b>(Amendment of Section 15.1-21-02.4)</b>  <b>North Dakota Career and</b>  <b>Technical Education Scholarship</b>                      This section clarifies the requirements for a North Dakota career and technical education scholarship and provides that the requirements for a 3.0 GPA may be calculated using all high school units in which the student was enrolled or only the statutorily required units. The section also allows a student to select American sign language from one of the required categories.</p>	<p><b>Section 12</b>                      No change from second engrossment</p>
<p><b>Section 12</b>  <b>(Amendment of Section 15.1-21-02.5)</b>  <b>North Dakota Academic Scholarship</b>                      This section clarifies the requirements for a North Dakota academic scholarship and provides that the requirements for a 3.0 GPA may be calculated using all high school units in which the student was enrolled or only the statutorily required units. It also allows a student to take American sign language rather than two units of the same foreign or Native American language.</p>	<p><b>Section 13</b>  <b>(Amendment of Section 15.1-21-02.5)</b>  <b>North Dakota Academic Scholarship</b>                      This section clarifies the requirements for a North Dakota academic scholarship and provides that the requirements for a 3.0 GPA may be calculated using all high school units in which the student was enrolled or only the statutorily required units. The section allows a student to take American sign language rather than two units of the same foreign or Native American language. The section also clarifies that a student must fulfill any one-unit requirement by means of an advanced placement course and examination or any half-unit requirement by means of a dual-credit course.</p>	<p><b>Section 13</b>                      No change from second engrossment</p>
<p><b>Section 13</b>  <b>(Amendment of Section 15.1-21-02.6)</b>  <b>North Dakota Scholarship -</b>  <b>Amount - Applicability</b>                      This section requires the State Board of Higher Education to monitor the academic performance of each scholarship recipient and to provide notification to the recipient within five days if the recipient has failed to maintain the required GPA.</p>	<p><b>Section 14</b>  <b>(Amendment of Section 15.1-21-02.6)</b>  <b>North Dakota Scholarship -</b>  <b>Amount - Applicability</b>                      This section provides that if a student meets the statutory requirements for a scholarship, the student is entitled to receive \$1,500 at the beginning of the student's first year of higher education. Beginning with the student's second year of higher education, the scholarship amount is \$750 per semester and is payable provided the student maintains a cumulative GPA of 2.75 and maintains enrollment in a minimum of 15 hours. If at the conclusion of the student's first year, or any semester thereafter, a student has failed to meet the requirements for a scholarship, the student, at the conclusion of the ensuing semester, may apply to the State Board of Higher Education for reinstatement of the scholarship. If a student fails to meet the statutory requirements for a second time, that student may not receive any additional scholarships under this section. The State</p>	<p><b>Section 14</b>                      This section establishes that the scholarships may be awarded in the amount of \$750 per semester or \$500 per quarter.</p>



As Introduced	Senate Version/Fiscal Effect	House Education Committee Amendments
<p><b>Section 16</b>                      (Amendment of Section 15.1-21-18)  <b>Career Interest Inventory - Educational and Career Planning - Consultation</b></p> <p>This section requires each school district to provide students in grade 7 or 8 with an individual consultative process or a nine-week course, for the purpose of discussing the results of their career interest inventory, selecting high school courses appropriate to their educational pursuits and career interests, and developing individual high school education plans. It also provides that upon a student's request, a school district must engage in a consultative review of the student's individual high school education plan at least once during each high school grade.</p> <p><b>Section 17</b>                      (Amendment of Section 15.1-21-19)  <b>Summative Assessment - Selection - Cost - Exemptions</b></p> <p>This section provides that a student who takes the ACT must take the writing portion as well and further provides that the cost is to be borne by the state.</p>	<p><b>Section 17</b>                      (Amendment of Section 15.1-21-18)  <b>Career Interest Inventory - Educational and Career Planning - Consultation</b></p> <p>This section requires each school district to provide students in grade 7 or 8 with an individual consultative process or a nine-week course for the purpose of discussing the results of their career interest inventory, selecting high school courses appropriate to their educational pursuits and career interests, and developing individual high school education plans. The section requires each school district to notify students that they are entitled to a consultative review at least once during each high school grade and to provide the consultative review when requested to do so.</p> <p><b>Section 18</b>                      (Amendment of Section 15.1-21-19)  <b>Summative Assessment - Selection - Cost - Exemptions</b></p> <p>This section provides that students must take the ACT, including the writing portion or the WorkKeys assessments. It also provides that the cost is to be borne by the state.</p> <p><b>Section 19</b>                      The executive recommendation in Senate Bill No. 2013 provided \$678,400 from the general fund for the estimated costs of administering the assessments. The Senate provided an additional \$100,000 from the national board certification fund and \$30,000 in general fund savings provided by removing the Professional Development Advisory Committee per diem to fully fund the cost of the assessments, including the writing test, and to provide a total of \$808,400 for the 2011-13 biennium. Discontinuation of the distribution of the ACT is estimated to save \$560,000 in the state school aid line item.</p>	<p><b>Section 18</b>                      No change from second engrossment</p>
<p><b>Section 17</b>                      (Amendment of Section 15.1-22-01)  <b>Kindergarten - Establishment by Board - Request by Parent - Levy</b></p> <p>This section requires the board of a school district to provide at least a half-day kindergarten program or pay the tuition for a student to attend at least a half-day kindergarten program in another school district.</p>	<p><b>Section 19</b>                      (Amendment of Section 15.1-22-01)  <b>Kindergarten - Establishment by Board - Request by Parent - Levy</b></p> <p>This section requires the board of a school district to provide at least a half-day kindergarten program or pay the tuition for a student to attend at least a half-day kindergarten program in another school district.</p>	<p><b>Section 19</b>                      This section provides that students must take the ACT, including the writing portion or the WorkKeys assessments without the writing portion.</p> <p><b>Section 20</b>                      Removing the writing portion of the WorkKeys assessment will not result in any savings as the estimated cost of \$808,800 provided by the department did not include the writing portion of the WorkKeys.</p>
<p><b>Section 18</b>                      (Amendment of Section 15.1-27-03.1)  <b>Weighted Average Daily Membership - Determination</b></p> <p>This section clarifies English language proficiency categories, sets 0.10 as the factor for students enrolled in certain isolated school districts, sets 0.06 as the factor for students instructed by teachers participating in a</p>	<p><b>Section 20</b>                      (Amendment of Section 15.1-27-03.1)  <b>Weighted Average Daily Membership - Determination</b></p> <p>This section clarifies English language learner proficiency categories, provides that the English language learner weighting factor is not applicable to students who have been in the third of six proficiency categories for</p>	<p><b>Section 21</b>                      No change from second engrossment</p> <p><b>Section 22</b>                      State fiscal effect - The following is a summary of the estimated impact of the formula changes:</p> <ul style="list-style-type: none"> <li>\$3 million increase - Change from a 0.002 technology factor to a 0.006 data collection factor.</li> <li>\$2.5 million increase - Increase in the special education factor from 0.07 to 0.073.</li> </ul>

<p><b>As Introduced</b></p> <p>supplemental teacher-effectiveness compensation plan, and sets 0.006 as the factor for students enrolled in school districts that have or are in the process of acquiring PowerSchool.</p>	<p><b>Senate Version/Fiscal Effect</b></p> <p>more than three years, and sets 0.10 as the factor for students enrolled in certain isolated school districts. The section also sets 0.006 as the factor for students enrolled in school districts that have or are in the process of acquiring PowerSchool.</p> <p>State fiscal effect - The following is a summary of the estimated impact of the formula changes:</p> <ul style="list-style-type: none"> <li>• \$3 million increase - Change from a 0.002 technology factor to a 0.006 data collection factor.</li> <li>• \$2.5 million increase - Increase in the special education factor from 0.07 to 0.073.</li> <li>• \$115,000 increase - Revision of the isolated school formula.</li> <li>• \$7.5 million increase - Supplemental teacher-effectiveness compensation factor.</li> </ul> <p>The Senate removed the supplemental teacher-effectiveness compensation provisions estimated to cost \$7.5 million and provided for an increase in per student payments in Section 22.</p>	<p><b>House Education Committee Amendments</b></p> <ul style="list-style-type: none"> <li>• \$115,000 increase - Revision of the isolated school formula.</li> <li>• \$7.5 million increase - Supplemental teacher-effectiveness compensation factor.</li> </ul> <p>The Senate removed the supplemental teacher-effectiveness compensation provisions estimated to cost \$7.5 million and provided for an increase in per student payments.</p> <p>The House restored, with some changes, the supplemental teacher-effectiveness compensation provisions in Sections 27 through 36. A .04 factor is provided in Section 31, but a funding source is not identified.</p>
<p>N/A</p>	<p><b>Section 21</b> <b>(Amendment of Section 15.1-27-03.1 - Effective as of July 1, 2013)</b> <b>Weighted Average Daily Membership - Determination</b></p> <p>Beginning July 1, 2013, this section establishes a weighting factor of 0.20 for students in grades 6 through 8 who are enrolled in an alternative education program for at least an average of 15 hours per week.</p> <p>State fiscal effect - The Department of Public Instruction did not provide an estimate of the future cost of this provision. A fiscal note prepared by the Department of Public Instruction for Senate Bill No. 2316 which was defeated in the Senate included a 0.25 factor for these students and the estimated cost for the 2013-15 biennium totaled \$1.36 million. Based on this estimate, the estimated cost of establishing a 0.20 weighting factor for the 2013-15 biennium would be \$1,088,000.</p>	<p><b>Section 22</b></p> <p>No change from second engrossment</p> <p>State fiscal effect - The Department of Public Instruction did not provide an estimate of the future cost of this provision. A fiscal note prepared by the Department of Public Instruction for Senate Bill No. 2316 which was defeated in the Senate included a 0.25 factor for these students and the estimated cost for the 2013-15 biennium totaled \$1.36 million. Based on this estimate, the estimated cost of establishing a 0.20 weighting factor for the 2013-15 biennium would be \$1,088,000.</p>
<p><b>Section 19</b> <b>(Amendment of Section 15.1-27-04)</b> <b>Per Student Payment Rate</b></p> <p>This section sets the per student payment rates at \$3,879 and \$3,979.</p>	<p><b>Section 22</b> <b>(Amendment of Section 15.1-27-04)</b> <b>Per Student Payment Rate</b></p> <p>This section sets the per student payment rate at \$3,961 for both years of the biennium.</p> <p>State fiscal effect - The increased per student rate is estimated to cost \$39.5 million, \$7.5 million more than the executive recommendation, for the 2011-13 biennium. The Senate removed the supplemental teacher-effectiveness compensation factor estimated to cost \$7.5 million.</p>	<p><b>Section 23</b></p> <p>This section sets the per student payment rate at \$3,930 for the first year of the biennium and at \$3,970 for the second year of the biennium.</p> <p>State fiscal effect - The House reduced the per student payment rate in the first year of the biennium and increased the per student payment rate in the second year of the biennium. The change in per student payment rates is estimated to reduce state school aid by \$2.2 million for the 2011-13 biennium from the Senate version of the bill.</p>

As Introduced	Senate Version/Fiscal Effect	House Education Committee Amendments
<p><b>Section 20</b> (Amendment of Section 15.1-27-07.2) <b>Baseline Funding - Determination - Minimum and Maximum Allowable Increases</b></p> <p>This section provides that the total amount of state aid payable to a district per weighted student unit, less any amount received as equity payments per weighted student unit, may not exceed a maximum of 142 percent of the baseline funding for the 2011-12 school year. No maximum is established for any year thereafter.</p>	<p><b>Section 23</b> No change State fiscal effect - Changes to the transition minimum and maximum allowable increases are estimated to reduce the funding required for state school aid by \$5.5 million for the 2011-13 biennium.</p>	<p><b>Section 24</b> No change State fiscal effect - Changes to the transition minimum and maximum allowable increases are estimated to reduce the funding required for state school aid by \$5.5 million for the 2011-13 biennium.</p>
<p><b>Section 21</b> (Amendment of Section 15.1-27-11) <b>Equity Payments</b></p> <p>This section provides that in determining the statewide average imputed taxable valuation per student for purposes of equity payments, the Superintendent of Public Instruction may not include any school district, which if included in the calculation would have an imputed taxable valuation per student that is three times greater than the statewide average imputed taxable valuation per student and any school district, which if included in the calculation would have an imputed taxable valuation per student that is less than one-fifth of the statewide average imputed taxable valuation per student. In addition, the section clarifies the determination of imputed taxable valuation by providing that the divisor is to be the district's general fund mill levy for the taxable year 2008.</p>	<p><b>Section 24</b> No change State fiscal effect - The formula revision related to the statewide average imputed taxable valuation per student is estimated to result in an increase in state school aid of \$530,000 for the 2011-13 biennium.</p>	<p><b>Section 25</b> No change State fiscal effect - The formula revision related to the statewide average imputed taxable valuation per student is estimated to result in an increase in state school aid of \$530,000 for the 2011-13 biennium.</p>
<p><b>Section 22</b> (Amendment of Section 15.1-27-35.3) <b>Payments to School Districts - Unobligated General Fund Balance</b></p> <p>This section provides that federal "education jobs fund" money received by a school district may not be included in a district's unobligated general fund balance for purposes of determining state aid.</p>	<p><b>Section 25</b> No change</p>	<p><b>Section 26</b> No change</p>
<p><b>Section 23</b> (New Section to Chapter 15.1-27) <b>Supplemental Teacher-Effectiveness Compensation Plan</b></p> <p>This section provides that a representative organization authorized by a negotiating unit and the board of a school district may agree to pursue a supplemental teacher-effectiveness compensation plan. The negotiating unit may include all teachers employed by the board to teach in the school district or all teachers employed by the board to teach at a particular school in the district.</p>	<p>These provisions were removed by the Senate.</p>	<p><b>Section 27</b> These provisions were reinserted by the House Education Committee, as introduced.</p>

As Introduced	Senate Version/Fiscal Effect	House Education Committee Amendments
<p><b>Section 24</b> <b>(New Section to Chapter 15.1-27)</b> <b>Supplemental Teacher-Effectiveness Compensation Plan - Development Committee - Membership</b></p> <p>This section provides that upon agreeing to pursue a supplemental teacher-effectiveness compensation plan, the board of the school district and the representative organization must form a committee to develop the plan. The membership of the committee must be agreed upon by the board and the representative organization.</p>	<p>These provisions were removed by the Senate.</p>	<p><b>Section 28</b></p> <p>These provisions were reinserted by the House Education Committee, as introduced.</p>
<p><b>Section 25</b> <b>(New Section to Chapter 15.1-27)</b> <b>Supplemental Teacher-Effectiveness Compensation Plan - Required Content</b></p> <p>This section provides that a supplemental teacher-effectiveness compensation plan must include only matters of compensation and it must provide for a determination of compensation that takes into account whether the school district has had difficulty filling a particular position with a suitable and highly qualified teacher, whether a teacher has advanced academic degrees or special skills and knowledge beyond those minimally required for a position, whether a teacher has pursued certified professional development activities beyond those minimally required for a position, and whether a teacher has assumed responsibilities that are beyond those minimally required for a position. It must also take into account various measures of student growth, including academic growth. In addition, the plan must include a rigorous and objective system of teacher evaluation and ensure that no teacher subject to the plan will receive less total compensation than that teacher was eligible to receive under the last negotiated contract.</p>	<p>These provisions were removed by the Senate.</p>	<p><b>Section 29</b></p> <p>These provisions were reinserted by the House Education Committee, as introduced.</p>
<p><b>Section 26</b> <b>(New Section to Chapter 15.1-27)</b> <b>Supplemental Teacher-Effectiveness Compensation Plan - Review Panel</b></p> <p>Each supplemental teacher-effectiveness compensation plan must be reviewed by a committee consisting of two employees of the Department of Public Instruction, two individuals appointed by the North Dakota Council of Educational Leaders, two individuals appointed by the North Dakota Education Association, and two individuals appointed by the North Dakota School Boards Association. The panel must either approve the plan and recommend that the Superintendent of Public Instruction provide funding for the plan or deny the plan and provide suggestions for its modification.</p>	<p>These provisions were removed by the Senate. The Senate also removed \$300,000 provided from the general fund in Senate Bill No. 2013 for the Alternative Teacher Compensation System Review Panel and contracted program adviser.</p>	<p><b>Section 30</b></p> <p>Each supplemental teacher-effectiveness compensation plan must be reviewed by a committee consisting of two employees of the Department of Public Instruction, two individuals appointed by the North Dakota Council of Educational Leaders, two individuals appointed by the North Dakota Education Association, and two individuals appointed by the North Dakota School Boards Association.</p> <p>Beginning April 1, 2012, the panel must review each plan and then, comparing all eligible plans, recommend for funding those that have the greatest potential to increase teacher effectiveness through supplemental compensation.</p> <p>If the cost of funding all of the recommended plans exceeds the resources made available, the review panel must select for funding plans that were developed in districts of varying size.</p> <p>State fiscal effect - Committee discussion identified a cost.</p>

As Introduced	Senate Version/Fiscal Effect	House Education Committee Amendments
N/A	N/A	<p><b>House Education Committee Amendments</b></p> <p>of \$4 million, but a funding source is not identified for the supplemental teacher-effectiveness compensation program. In addition, funding of \$300,000 for the Alternative Teacher Compensation System Review Panel, removed by the Senate, would need to be restored.</p> <p style="text-align: center;"><b>Section 31</b></p> <p><b>(New Section to Chapter 15.1-27)</b></p> <p><b>Supplemental Teacher-Effectiveness Compensation Plan - Determination of Funding - Minimum Amount</b></p> <p>This section provides that if a plan is selected for funding, the Superintendent of Public Instruction must determine the amount to which the submitting district is entitled for use as supplemental teacher-effectiveness compensation. The superintendent must multiply the number of students in average daily membership instructed by the number of full-time equivalent teachers participating in the district's supplemental teacher-effectiveness compensation plan during the 2012-13 school year, multiply the result determined above by a factor of 0.04, and apply the school district size weighting factor.</p> <p>The minimum amount to which a district that submits a selected plan is entitled for use as supplemental teacher-effectiveness compensation is \$2,000 multiplied by the number of full-time equivalent teachers participating in the district's plan.</p> <p>See state fiscal effect note regarding Section 30.</p>
N/A	N/A	<p style="text-align: center;"><b>Section 32</b></p> <p><b>(New Section to Chapter 15.1-27)</b></p> <p><b>Administrative Costs</b></p> <p>This section provides that a school district may use up to 5 percent of the money it receives for its supplemental teacher-effectiveness compensation plan to pay for any additional expenses it has incurred in administering the supplemental teacher-effectiveness compensation plan.</p>
N/A	N/A	<p style="text-align: center;"><b>Section 33</b></p> <p><b>(New Section to Chapter 15.1-27)</b></p> <p><b>Supplemental Teacher-Effectiveness Compensation Plan - Review Panel - Additional Duties</b></p> <p>This section provides additional duties for the review panel. The duties include the development and distribution of guidelines pertaining to the creation of supplemental teacher-effectiveness compensation plans; meeting with and advising plan development committees; and advising the Superintendent of Public Instruction regarding the hiring of employees and the selection of contractors whose duties will be related to supplemental teacher-effectiveness compensation.</p>

As Introduced	Senate Version/Fiscal Effect	House Education Committee Amendments
<p><b>Section 27</b> <b>(New Section to Chapter 15.1-27)</b> <b>Annual Report - Required Content</b></p> <p>This section requires each school district that receives funding to implement a supplemental teacher-effectiveness compensation plan to file an annual report with the Superintendent of Public Instruction and indicate whether the plan has alleviated difficulty filling particular positions, encouraged teachers to pursue advanced academic degrees or acquire special skills and knowledge beyond those minimally required for a position, encouraged teachers to pursue certified professional development activities, or encouraged teachers to assume additional responsibilities. The report also must indicate whether there has been measurable student growth, including academic growth.</p>	<p>These provisions were removed by the Senate.</p>	<p><b>Section 34</b></p> <p>These provisions were reinserted by the House Education Committee, as introduced.</p>
<p><b>Section 28</b> <b>(New Section to Chapter 15.1-27)</b> <b>Existing Contracts - Terms - Effect</b></p> <p>This section provides that a supplemental teacher-effectiveness compensation plan authorized by this Act may take effect on July 1, 2012.</p>	<p>This provision was removed by the Senate.</p>	<p><b>Section 35</b></p> <p>These provisions were reinserted by the House Education Committee, as introduced.</p>
<p><b>Section 29</b> <b>(New Section to Chapter 15.1-27)</b> <b>Plan Review Panel - Reimbursement for Expenses</b></p> <p>This section provides expense reimbursement for each member of the Supplemental Teacher-Effectiveness Compensation Plan Review Panel if the member is attending meetings or performing duties directed by the panel.</p> <p>N/A</p>	<p>These provisions and related funding were removed by the Senate.</p>	<p><b>Section 36</b></p> <p>This section provides expense reimbursement, but not per diem compensation, to each member of the Supplemental Teacher-Effectiveness Compensation Plan Review Panel if the member is attending meetings or performing duties directed by the panel.</p> <p>See state fiscal effect note regarding Section 30.</p>
<p>N/A</p>	<p>N/A</p>	<p><b>Section 37</b> <b>(Amendment of Section 15.1-36-02)</b> <b>School Construction Projects - Loans</b></p> <p>This section increases the amount of school construction loans that a school district is entitled to receive, based on its imputed taxable valuation and alters its interest rate buydown. If an eligible school district's imputed taxable valuation per student is less than 80 percent of the state average imputed valuation per student, the district is entitled to receive a loan equal to the lesser of \$12 million or 80 percent of the actual project cost. A district having an imputed taxable valuation of at least 80 percent but less than 90 percent of the state average imputed taxable valuation per student is entitled to receive a loan equal to the lesser of \$10 million or 70 percent of the actual project cost. A district having an imputed taxable valuation equal to at least 90 percent of the state average imputed taxable valuation per student is entitled to receive a loan equal to the lesser of \$4.5 million or 30 percent of the actual project costs. The interest rate buydowns are equal to at least 100 but not more than 250 basis points below the prevailing tax-free bond</p>



As Introduced	Senate Version/Fiscal Effect	House Education Committee Amendments
N/A	<p><b>Section 26</b>  <b>(Amendment of Section 15.1-37-01)</b>  <b>Early Childhood Education Program - Approval</b>                      This section limits enrollment in approved early childhood education programs to students who have reached age 4 before August 1 of the year of enrollment.</p>	<p>State fiscal effect - The effect of these changes to school construction loans may result in less income in the coal development trust fund.</p>
N/A	<p><b>Section 26</b>  <b>(Amendment of Section 15.1-37-01)</b>  <b>Early Childhood Education Program - Approval</b>                      This section limits enrollment in approved early childhood education programs to students who have reached age 4 before August 1 of the year of enrollment.</p>	<p><b>Section 38</b>                      This section limits enrollment in approved early childhood education programs to students who have reached age 4 before August 1 in the year of enrollment. It also clarifies that in determining state aid, the Superintendent of Public Instruction may not count any student enrolled in a regular early childhood education program.</p>
N/A	N/A	<p><b>Section 39</b>  <b>(Amendment of Subsection 1 of Section 15.1-37-02)</b>  <b>North Dakota Early Childhood Education Council</b>                      This section adds to the North Dakota Early Childhood Education Council the Commissioner of Commerce and an individual representing children with disabilities. It removes a principal and an elementary schoolteacher.</p>
N/A	N/A	<p><b>Section 40</b>  <b>(Amendment of Section 15.1-37-03)</b>  <b>Council Duties</b>                      This section revises the duties of the North Dakota Early Childhood Education Council. The council is to review the availability and provision of early childhood education, care, and services in this state; identify opportunities for public and private sector collaboration; identify ways to assist with the recruitment and retention of individuals interested in working as providers of early childhood education, care, and services; seek the advice and guidance of individuals who are uniquely familiar with the nature, scope, and associated challenges of providing early childhood education, care, and services in geographically and socioeconomically diverse settings; and develop recommendations pertaining to the short-term and longer-term improvement and expansion of early childhood education, care, and services in the state.</p>
N/A	N/A	<p><b>Section 41</b>  <b>(Amendment of Section 57-15-14)</b>  <b>General Fund Levy Limitations in School Districts</b>                      This section provides that if a school district experiences a rapidly increasing taxable valuation, that district may levy, for the taxable year of the rapidly increasing taxable valuation and the next taxable year, the amount in dollars which the school district levied for the prior school year plus 18 percent, up to a general fund levy of 165 mills. "Rapidly increasing taxable valuation" is defined as an increase of 20 percent or more in taxable valuation from the immediately preceding taxable year.</p>

As Introduced	Senate Version/Fiscal Effect	House Education Committee Amendments
<p><b>Section 30</b>  <b>Isolated Schools - Transition Payments</b>                      This section provides transition payments to school districts that had been receiving additional payments because they contained an isolated school but which do not qualify for the isolated payment factor, as proposed under this Act.</p>	<p><b>Section 27</b>                      No change. See note regarding Section 20.</p>	<p><b>Section 42</b>                      No change. See note regarding Section 21.</p>
<p><b>Section 31</b>  <b>Transportation Grants - Distribution</b>                      This section increases state transportation aid to \$1.03 per mile for schoolbuses having a capacity of 10 or more passengers, 46 cents per mile for vehicles having a capacity of 9 or fewer passengers, 46 cents per mile one way for family transportation, and 26 cents per student for each one-way trip. If any money provided for transportation payments remain after application of the formula, the money is to be prorated as transportation payments.</p>	<p><b>Section 28</b>                      No change                      State fiscal effect - Senate Bill No. 2013 provides \$48.5 million from the general fund for transportation grants. The 2009 Legislative Assembly appropriated \$43.5 million from the general fund and provided contingent funding of \$5 million from the general fund for supplemental transportation aid payments.</p>	<p><b>Section 43</b>                      This section maintained the payment amounts set forth in the bill as introduced and added a reimbursement of 46 cents per mile, applicable to round-trip family transportation of a student with a disability.                      State fiscal effect - Senate Bill No. 2013 provides \$48.5 million from the general fund for transportation grants. The 2009 Legislative Assembly appropriated \$43.5 million from the general fund and provided contingent funding of \$5 million from the general fund for supplemental transportation aid payments.</p>
<p>N/A</p>	<p>N/A</p>	<p><b>Section 44</b>  <b>School District Rapid Enrollment Growth - Grant</b>                      This section authorizes the Superintendent of Public Instruction to expend up to \$5 million from the grants - state school aid line item for the purpose of providing a grant to any school district that can demonstrate rapid enrollment growth. If the number of students enrolled in a district increases by at least 3 percent annually, and if that increase is equal to at least 25 students, the district's grant equals 30 percent of the per student payment multiplied by the actual increase in its student enrollment. If the increase is at least 7 percent, and the same conditions are met, the district's grant equals 70 percent of the per student payment multiplied by the actual increase in its student enrollment. If the increase is at least 13 percent, and the same conditions are met, the district's grant equals the per student payment multiplied by the actual increase in its student enrollment. A district may not receive more than \$800,000 annually under this section. If the appropriated amount is insufficient, the Superintendent of Public Instruction is authorized to prorate the grants.                      State fiscal effect - This section provides that \$5 million from the grants - state aid line item included in Senate Bill No. 2013 is to be used for rapid enrollment grants.</p>
<p><b>Section 32</b>  <b>Use of New Money - Teacher Compensation Increases - Reports to the Legislative Management</b>                      This section requires the board of each school district to use at least 70 percent of all new money received as per student payments to increase the compensation paid to</p>	<p><b>Section 29</b>  <b>Use of New Money - Teacher Compensation Increases - Reports to the Legislative Management</b>                      This section requires the board of each school district to use at least 70 percent of all new money received as per student payments to increase the compensation paid to</p>	<p><b>Section 45</b>                      No change from second engrossment</p>

As Introduced	Senate Version/Fiscal Effect	House Education Committee Amendments
<p>teachers and to provide compensation to teachers who begin employment with the district on or after July 1, 2011.</p>	<p>teachers and to provide compensation to teachers who begin employment with the district on or after July 1, 2011. The section includes several types of money not listed in the bill as introduced, i.e.:</p> <ul style="list-style-type: none"> <li>• Cross-border attendance money.</li> <li>• Deferred maintenance grants.</li> <li>• Federal education jobs fund program money.</li> <li>• Home-based education program monitoring money.</li> <li>• PowerSchool acquisition money.</li> <li>• Regional education association money and grants.</li> </ul>	
<p>N/A</p>	<p><b>Section 30</b> <b>Contingent Money</b></p> <p>This section provides that if any money appropriated to the Superintendent of Public Instruction for state aid payments to school districts remains after the Superintendent complies with all statutory payment obligations imposed for the biennium, the money must be used to provide additional per student payments on a prorated basis.</p> <p>The language in this section was added to Senate Bill No. 2013.</p>	<p><b>Section 46</b></p> <p>No change from second engrossment</p>
<p><b>Section 33</b> <b>Regional Education Associations - Grants</b></p> <p>This section authorizes the Superintendent of Public Instruction to expend up to \$800,000 from the state school aid line item for the purpose of providing grants to eligible regional education associations in order to assist them with the cost of compensating coordinators. The maximum grant payable to a regional education association under this section during each year of the biennium is the lesser of \$50,000 or 70 percent of the total compensation payable to the coordinator.</p>	<p>The language in this section was added to Senate Bill No. 2013.</p>	<p>N/A</p> <p>The language in this section was added to Senate Bill No. 2013.</p>
<p><b>Section 34</b> <b>Appropriation</b></p> <p>This section appropriates \$150,000 to the Department of Commerce for the purpose of providing \$1,200 grants to individuals seeking a child development associate credential.</p>	<p>This appropriation was removed by the Senate.</p>	<p>N/A</p>
<p><b>Section 35</b> <b>Principal Mentorship Grants</b></p> <p>This section directs the Superintendent of Public Instruction to expend \$461,500 from the grants - other grants line item in the Superintendent's appropriation bill and contract with a statewide educational organization for the development and implementation of a principal mentorship program.</p>	<p>The related funding for the principal mentorship program was removed from Senate Bill No. 2013.</p>	<p>N/A</p>
<p><b>Section 36</b> <b>Appropriation</b></p> <p>This section appropriates \$20,000 to the Superintendent of Public Instruction for the purpose of reimbursing expenses incurred by the Supplemental Teacher-Effectiveness Compensation Plan Review Panel.</p>	<p>This appropriation was removed by the Senate.</p>	<p>N/A</p>

As Introduced	Senate Version/Fiscal Effect	House Education Committee Amendments
N/A	<p><b>Section 31</b>  <b>Contingent Transfer by Bank of North Dakota for Special Education</b>                      This section provides that if there are insufficient funds with which to fully reimburse school districts for the excess costs of serving the 1 percent of special education students statewide who require the greatest school district expenditures, the Industrial Commission shall transfer the necessary amount from the Bank of North Dakota. Legislation requesting reimbursement of the Bank must be introduced during the 2013 session.</p>	<p><b>Section 47</b>                      No change from second engrossment</p>
N/A	<p><b>Section 32</b>  <b>All-Day Kindergarten - Impact Report</b>                      This section requires each school district that provided full-day kindergarten during the previous school year to file a report with the Superintendent of Public Instruction indicating the nature and extent of any measurable academic growth experienced by the students who were enrolled in the program.</p>	<p>Removed by the House Education Committee</p>
N/A	<p><b>Section 33</b>  <b>Legislative Management Study - Teacher Compensation</b>                      This section directs the Legislative Management to consider studying ways to reform the manner in which teacher compensation is determined, with a view to recruiting, developing, and retaining a high-quality teaching workforce capable of significantly improving student performance.</p>	<p>Removed by the House Education Committee</p>
N/A	<p>N/A</p>	<p><b>Section 48</b>  <b>Legislative Management Study - Adult Education</b>                      This section directs the Legislative Management to consider studying the provision and funding of adult education.</p>
N/A	<p>N/A</p>	<p><b>Section 49</b>  <b>Education Funding and Taxation Committee - Study</b>                      This section creates the Education Funding and Taxation Committee. The committee consists of the chairmen of the House and Senate Education and Taxation Committees and five legislators appointed by the chairman of the Legislative Management. In addition, the committee has as nonvoting members the Tax Commissioner, the Superintendent of Public Instruction, a representative of the Governor, and two school district business managers. The committee is charged with examining short-term and longer-term state and local involvement in funding elementary and secondary education and is authorized to form workgroups, task forces, and subcommittees to seek additional information and outside expertise. Each member of the committee and any individual requested by the chairman to serve on a</p>

As Introduced	Senate Version/Fiscal Effect	House Education Committee Amendments
N/A	N/A	<p>workgroup, task force, or subcommittee is entitled to receive reimbursement for actual and necessary expenses incurred in the same manner as state officials and each legislator serving on the committee is entitled to receive per diem compensation.</p> <p>State fiscal impact - The fiscal impact of the Education Funding and Taxation Committee will depend on the number of times the committee meets.</p>
N/A	N/A	<p><b>Section 50</b>  <b>Supplemental Teacher-Effectiveness Compensation Plans - Exemption - Carryover Authority</b></p> <p>This section provides that Section 54-44.1-11 does not apply to any money included in the grants - state school aid line item for the purpose of funding supplemental teacher-effectiveness compensation plans during the 2011-13 biennium. Any money not expended by June 30, 2013, must be continued and expended only for the purpose of funding supplemental teacher-effectiveness compensation plans during the 2013-15 biennium.</p> <p>State fiscal impact - Funding remaining in the grants - state school aid line item after, all other obligations, is typically provided to school districts as additional state school aid. In addition, Section 54 provides that the supplemental teacher-effectiveness compensation program will expire June 30, 2013.</p>
N/A	N/A	<p><b>Section 51</b>  <b>Repeal</b></p> <p>This section repeals various North Dakota Century Code sections pertaining to professional development. The repeal will take effect on July 1, 2013, in accordance with Section 53.</p>
<p><b>Section 37</b>  <b>Repeal</b></p> <p>This section repeals Section 15.1-27-15, which pertains to isolated schools.</p>	<p><b>Section 34</b></p> <p>No change</p>	<p><b>Section 52</b></p> <p>No change</p>
N/A	<p><b>Section 35</b>  <b>Effective Date</b></p> <p>This section makes Section 21 effective on July 1, 2013.</p>	<p><b>Section 53</b></p> <p>This section makes Sections 22 and 51 effective on July 1, 2013.</p>
N/A	N/A	<p><b>Section 54</b></p> <p>This section sunsets the supplemental teacher-effectiveness compensation program on June 30, 2013.</p> <p>State fiscal effect - See note regarding Section 50.</p>

**STATE SCHOOL AID, OTHER GRANTS, AND DEPARTMENT OF PUBLIC INSTRUCTION ADMINISTRATION  
COMPARISON OF 2011-13 EXECUTIVE BUDGET TO 2009-11 APPROPRIATION AND ESTIMATED EXPENDITURES**

	2009-11 Appropriation	2009-11 Estimated Expenditures	2011-13 Executive Budget	2011-13 Executive Budget Increase (Decrease) Compared to 2009-11 Estimated Expenditures	2011-13 Executive Budget Increase (Decrease) Compared to 2009-11 Estimated Expenditures	2011-13 Executive Budget Increase (Decrease) Compared to 2009-11 Estimated Expenditures
<b>State school aid program</b>						
State school aid	\$808,370,295 <sup>1</sup>	\$800,370,295 <sup>1</sup>	\$919,459,478 <sup>1</sup>	\$119,089,183	\$111,089,183	\$111,089,183
Federal education jobs fund program payments			21,242,838 <sup>2</sup>	21,242,838	21,242,838	21,242,838
Transportation aid payments	43,500,000	41,600,000 <sup>1</sup>	48,500,000	6,900,000	5,000,000	5,000,000
Contingent supplemental transportation aid payments	5,000,000 <sup>3</sup>	5,000,000 <sup>3</sup>		(5,000,000)	(5,000,000)	(5,000,000)
Special education - Contracts	15,500,000	15,500,000	16,000,000	500,000	500,000	500,000
Supplemental operations grants	16,795,584	16,795,584		(16,795,584)	(16,795,584)	(16,795,584)
Supplemental one-time grants	85,644,337	85,644,337		(85,644,337)	(85,644,337)	(85,644,337)
Mill levy reduction grants	295,000,000	299,200,000 <sup>4</sup>	341,790,000 <sup>5</sup>	42,590,000	46,790,000	46,790,000
<b>Total - State school aid program</b>	<b>\$1,269,810,216</b>	<b>\$1,264,110,216</b>	<b>\$1,346,992,316</b>	<b>\$82,882,100</b>	<b>\$77,182,100</b>	<b>\$77,182,100</b>
<b>General fund</b>						
Federal funds	\$1,097,865,879	\$1,092,165,879	\$882,321,478	(\$209,844,401)	(\$215,544,401)	(\$215,544,401)
Property tax relief sustainability fund	85,644,337	85,644,337	21,242,838	(64,401,499)	(64,401,499)	(64,401,499)
State tuition fund	86,300,000	86,300,000	341,790,000	341,790,000	341,790,000	341,790,000
<b>Total</b>	<b>\$1,269,810,216</b>	<b>\$1,264,110,216</b>	<b>\$1,346,992,316</b>	<b>\$82,882,100</b>	<b>\$77,182,100</b>	<b>\$77,182,100</b>
<b>Other grants - General fund</b>						
Teacher center network	\$360,000	\$360,000	\$360,000		\$15,000	\$15,000
School food services	1,380,000	1,380,000	1,380,000		(226,000)	(226,000)
Adult education grants	1,850,000	1,850,000	1,850,000			
LEAL Center	260,000	260,000	260,000			
Governor's School	410,000	410,000	410,000			
National writing projects	153,000	153,000	153,000			
Rural art outreach project	345,000	345,000	360,000	15,000		
North Dakota Geographic Alliance	226,000	226,000	445,000	219,000		
North Central Council for School Television	445,000	445,000	445,000			
Teacher mentoring program	2,300,000	2,300,000	2,300,000		(500,000)	(500,000)
National board certification fund	500,000	500,000	100,000	(400,000)		
Continuing education grants	100,000	100,000	75,000	(25,000)		
Atlantik-Brucke teacher exchange program	75,000	75,000				

*SB 2150  
Dept. of public inst  
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attachment #1*

North Dakota young entrepreneur education program	100,000	100,000	110,000	10,000	10,000
"We the People" program	18,000	18,000	22,000	4,000	4,000
Principal mentoring grants			461,500	461,500	461,500
Curriculum alignment grants			100,000	100,000	100,000
Preschool continuing education grants			150,000	150,000	150,000
Prekindergarten space grants			125,000	125,000	125,000
National board certification	102,500	102,500	185,000	82,500	82,500
<b>Total - Other grants - General fund</b>	<b>\$8,624,500</b>	<b>\$8,624,500</b>	<b>\$8,846,500</b>	<b>\$222,000</b>	<b>\$222,000</b>
<b>Other grants - Other funds</b>					
Federal grants	\$304,863,120	\$304,863,120	\$293,818,982	(\$11,044,138)	(\$11,044,138)
Displaced homemaker program	250,000	250,000	250,000		
<b>Total - Other grants - Other funds</b>	<b>\$305,113,120</b>	<b>\$305,113,120</b>	<b>\$294,068,982</b>	<b>(\$11,044,138)</b>	<b>(\$11,044,138)</b>
<b>Total state school aid and other grants - All funds</b>	<b>\$1,583,547,836</b>	<b>\$1,577,847,836</b>	<b>\$1,649,907,798</b>	<b>\$72,059,962</b>	<b>\$66,359,962</b>
<b>Agency administration</b>					
Administration (salaries, operating, equipment) - General fund	\$7,915,211	\$7,915,211	\$10,896,762 <sup>6</sup>	\$2,981,551	\$2,981,551
Administration (salaries, operating, equipment) - Other funds	36,563,697	36,563,697	33,768,603 <sup>2</sup>	(2,795,094)	(2,795,094)
<b>Total - Agency administration - All funds</b>	<b>\$44,478,908</b>	<b>\$44,478,908</b>	<b>\$44,665,365</b>	<b>\$186,457</b>	<b>\$186,457</b>
<b>Total Department of Public Instruction - All funds</b>	<b>\$1,628,026,744</b>	<b>\$1,622,326,744</b>	<b>\$1,694,573,163</b>	<b>\$72,246,419</b>	<b>\$66,546,419</b>
General fund	\$1,114,405,590	\$1,108,705,590	\$902,064,740	(\$206,640,850)	(\$212,340,850)
Other funds	513,621,154	513,621,154	792,508,423	278,887,269	278,887,269
<b>Total</b>	<b>\$1,628,026,744</b>	<b>\$1,622,326,744</b>	<b>\$1,694,573,163</b>	<b>\$72,246,419</b>	<b>\$66,546,419</b>
FTE	99.75	99.75	99.75		

<sup>1</sup> State school aid - The amounts reported for state school aid include the base per student formula payments, special education average daily membership payments, equity payments, full-day kindergarten, and payments to regional education associations.

The Department of Public Instruction anticipates the 2009-11 biennium funding for state school aid will exceed the per student state school aid obligation by approximately \$8 million and the funding for transportation aid payments will exceed obligations by approximately \$1.9 million. The 2009 Legislative Assembly provided in House Bill No. 1400 that any funds appropriated for state school aid remaining after the department has provided for all statutory payment obligations be distributed as additional per student payments on a prorated basis according to the latest available average daily membership of each school district and that any funds remaining after the application of the transportation formula be distributed on a pro rata basis based on percentage of total transportation formula payments. The 2011-13 executive budget amends 2009 Session Laws to provide that the Department of Public Instruction carry over \$9 million of the estimated excess funding for state school aid (\$8 million from state school aid and \$1 million from transportation aid) from the 2009-11 biennium to the 2011-13 biennium for state school aid per student payments. Any additional excess funds remaining at the end of the 2009-11 biennium are to be distributed according to House Bill No. 1400 (2009).

<sup>2</sup> Federal H.R. 1586--signed into law in August 2010--provided an extension of the American Recovery and Reinvestment Act of 2009 federal medical assistance percentages as well as additional funding for elementary and secondary education. North Dakota's share of the additional elementary and secondary education funding--known as the education jobs fund program--is \$21,517,716, of which \$21,242,838 is to be distributed to school districts through the state's funding formula and \$274,878 is available to the Department of Public Instruction for administration of the program. The funding is to be made available to school districts for use in hiring or rehiring school employees during the 2010-11 school year; therefore, the 2011-13 executive budget provides an emergency clause to allow funds to begin to be distributed during the 2010-11 school year.

<sup>3</sup> The 2009 Legislative Assembly provided in Section 16 of House Bill No. 1012 a \$5 million contingent appropriation from the general fund for supplemental transportation aid payments. If prior to April 30, 2011, the Office of Management and Budget determines the June 30, 2011, general fund balance will exceed \$30 million, the Department of Public Instruction is to provide the supplemental transportation aid payments according to the percentage of the total transportation formula amount each school district is entitled to receive. The November 2010 executive revenue forecast estimates the conditions will be met and the contingent supplemental funding will be made available.

<sup>4</sup> The 2009 Legislative Assembly provided for a transfer of \$295 million from the permanent oil tax trust fund to the general fund to be used for property tax relief during the 2009-11 biennium and for a transfer of \$295 million from the permanent oil tax trust fund to the property tax relief sustainability fund for the mill levy reduction grant program during the 2011-13 biennium. The Department of Public Instruction estimates an additional \$4.2 million of funding will be needed for mill levy reduction grants for the 2009-11 biennium. The 2011-13 executive budget provides for an additional transfer of \$4.2 million from the permanent oil tax trust fund to the property tax relief sustainability fund and includes a deficiency appropriation from the property tax relief sustainability fund for the 2009-11 biennium to fully fund the mill levy reduction grant program (\$299.2 million) during the 2009-11 biennium.

<sup>5</sup> In addition to the \$295 million transferred to the property tax relief sustainability fund by the 2009 Legislative Assembly for property tax relief during the 2011-13 biennium, the 2011-13 executive budget provides for an additional transfer from the permanent oil tax trust fund to the property tax relief sustainability fund of \$46.8 million to fully fund the mill levy reduction grant program (\$341.8 million) during the 2011-13 biennium. The executive budget recommendation also includes a transfer of \$341.8 million from the permanent oil tax trust fund to the property tax relief sustainability fund for the mill levy reduction grant program during the 2013-15 biennium.

<sup>6</sup> The executive budget includes \$300,000 from the general fund to provide for costs associated with the Alternative Teacher Compensation System Review Panel and a contracted program adviser.



April 2011

## COMPARISON OF SENATE BILL NO. 2150 VERSIONS AND ASSOCIATED ESTIMATED STATE FISCAL EFFECTS

- Senate Bill No. 2150, as amended by the House Education Committee, will require the following estimated funding considerations in Senate Bill No. 2013:
- (\$68,000) - Decrease in operating expenses for the Professional Development Advisory Committee (Section 6).
  - (\$2,200,000) - Decrease in state school aid for the changes in per student payment rates (Section 23).
  - \$4,000,000 - Increase in state school aid or a separate line item for the supplemental teacher-effectiveness compensation program (Section 30).
  - \$300,000 - Increase in operating expenses for the Alternative Teacher Compensation System Review Panel (Section 36).
  - \$5,000,000 - Increase in state school aid for rapid enrollment grants (Section 44).
  - \$7,032,000 - Total.

As Introduced	Senate Version/Fiscal Effect	House Education Committee Amendments
N/A	N/A	Section 1 This section delays the requirement that school districts increase their school calendars by one day, from 181 days to 182 days (175 of which are for instruction) until the 2012-13 school year. The executive recommendation included, and the Senate approved, funding for the additional calendar day to begin with the 2011-12 school year. The estimated savings to school districts of the delayed implementation is \$3.6 million. However, the per student payment rates provided in Section 23 reflect a total reduction in state school aid of approximately \$2.2 million from the Senate version of the bill.
<p style="text-align: center;"><b>Section 1</b></p> <p><b>(Amendment of Section 15.1-07-33)</b>  <b>Student Information System - Statewide Coordination - Financial Support - Exemption</b>                      This section directs the Superintendent of Public Instruction to forward that portion of a school district's state aid which is attributable to the acquisition and use of PowerSchool and any related technology support services directly to the Information Technology Department. If the amount forwarded exceeds the cost incurred by the Information Technology Department, it must be returned to the school district as per student payments.                      This section also allows the Superintendent of Public Instruction to exempt a school district from having to acquire and utilize PowerSchool if it demonstrates that it is using a comparable system in accordance with Bureau of Indian Education requirements.</p>	Section 1 No change	Section 2 No change

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As Introduced	Senate Version/Fiscal Effect	House Education Committee Amendments
<p><b>Section 2</b> (Amendment of Section 15.1-09-58) <b>Early Childhood Education - Authorization - Support</b></p> <p>This section authorizes the board of a school district to support an early childhood education program with local tax revenues, as well as state and federal money, and gifts, grants, and donations.</p>	<p><b>Section 2</b> (Amendment of Section 15.1-09-58) <b>Early Childhood Education - Authorization - Support</b></p> <p>This section authorizes the board of a school district to support an early childhood education program with local tax revenues, other than those necessary to support the district's kindergarten program and the provision of elementary and high school educational services, as well as state and federal money, and gifts, grants, and donations.</p>	<p><b>Section 3</b></p> <p>This section authorizes the board of a school district to support an early childhood education program with local tax revenues, other than those necessary to support the district's kindergarten program and the provision of elementary and high school educational services, as well as federal money, and gifts, grants, and donations. The reference to "state moneys specifically appropriated for the program" was removed.</p>
<p><b>Section 3</b> (Amendment of Section 15.1-09.1-02) <b>Regional Education Association - Joint Powers Agreement - Review by Superintendent of Public Instruction - Criteria</b></p> <p>This section removes the list of administrative functions and student services that were statutorily required of a regional education association.</p>	<p><b>Section 3</b></p> <p>This section removes the list of administrative functions and student services that were statutorily required of a regional education association. In addition, it provides that each member of the governing board must be an individual currently serving on the board of a participating school district or the designee of a participating school district's board.</p>	<p><b>Section 4</b></p> <p>No change from second engrossment</p>
<p><b>Section 4</b> (New Section to Chapter 15.1-09.1) <b>Regional Education Association - Services to Be Offered</b></p> <p>This section requires a regional education association to offer coordination and facilitation of professional development activities for teachers and administrators employed by its member districts; supplementation of technology support services; assistance with achieving school improvement goals identified by the Superintendent of Public Instruction; assistance with the collection, analysis, and interpretation of student achievement data; and assistance with the expansion and enrichment of curricular offerings.</p>	<p><b>Section 4</b></p> <p>No change State fiscal effect - Regional education associations are being given more prescriptive duties. Additional staff and associated expenses should be expected. Section 7 of Senate Bill No. 2013 authorizes the Superintendent of Public Instruction to expend up to \$800,000 from the state school aid line item for the purpose of providing grants to eligible regional education associations to assist with the cost of compensating coordinators, an increase of \$400,000 from the 2009-11 biennium.</p>	<p><b>Section 5</b></p> <p>No change State fiscal effect - Regional education associations are being given more prescriptive duties. Additional staff and associated expenses should be expected. Section 7 of Senate Bill No. 2013 authorizes the Superintendent of Public Instruction to expend up to \$800,000 from the state school aid line item for the purpose of providing grants to eligible regional education associations to assist with the cost of compensating coordinators, an increase of \$400,000 from the 2009-11 biennium.</p>
<p><b>Section 5</b> (New Section to Chapter 15.1-18.2) <b>Professional Development Advisory Committee - Compensation of Members</b></p> <p>This section provides per diem compensation in the amount of \$135 to and expense reimbursement for members of the Professional Development Advisory Committee.</p>	<p><b>Section 5</b> (New Section to Chapter 15.1-18.2) <b>Professional Development Advisory Committee - Reimbursement of Members</b></p> <p>This section provides expense reimbursement for members of the Professional Development Advisory Committee. State fiscal effect - Funding for the expenses of the committee of \$122,000 from the general fund is included in the operating expenses line item of Senate Bill No. 2013. Of this amount, \$30,000 relates to the per diem. The Senate did not reduce the operating expenses line item of the Department of Public Instruction by \$30,000, but allowed the department to use this additional funding to offset a shortfall in funding for the written portion of the ACT and WorkKeys assessments.</p>	<p><b>Section 6</b></p> <p>This section provides expense reimbursement for each member of the Professional Development Advisory Committee. However, the section also limits that reimbursement to three committee meetings during each year of the biennium. State fiscal effect - Funding for the expenses of the committee of \$122,000 from the general fund is included in the operating expenses line item of Senate Bill No. 2013. Of this amount, \$30,000 relates to the per diem. The Senate did not reduce the operating expenses line item of the Department of Public Instruction by \$30,000, but allowed the department to use this additional funding to offset a shortfall in funding for the written portion of the ACT and WorkKeys assessments. The House limited the number of meetings to six per biennium. Estimated cost for six meetings is \$24,000, an additional savings of \$68,000.</p>

As Introduced	Senate Version/Fiscal Effect	House Education Committee Amendments
<p><b>Section 6</b></p> <p><b>(New Section to Chapter 15.1-18.2)</b>  <b>Teacher Support Program - Establishment</b>            This section places the teacher mentoring program operated by the Education Standards and Practices Board into the North Dakota Century Code.</p>	<p><b>Section 6</b></p> <p>No change</p> <p>State fiscal effect - Sections 6, 7, and 8 relate to the teacher monitoring program which is being codified in this Act. Section 48 of 2009 House Bill No. 1400 limited the service to teachers employed by school districts. Senate Bill No. 2013 provides \$2.3 million for the teacher mentoring program, the same as the 2009-11 biennium.</p>	<p><b>Section 7</b></p> <p>No change</p> <p>State fiscal effect - Sections 7, 8, and 9 relate to the teacher monitoring program which is being codified in this Act. Section 48 of 2009 House Bill No. 1400 limited the service to teachers employed by school districts. Senate Bill No. 2013 provides \$2.3 million for the teacher mentoring program, the same as the 2009-11 biennium.</p>
<p><b>Section 7</b></p> <p><b>(New Section to Chapter 15.1-18.2)</b>  <b>Teacher Support Program - Availability of Services</b>            This section authorizes the Education Standards and Practices Board to use any money it receives for the teacher support program to provide staff compensation, training, evaluation, and stipends for mentors and experienced teachers who assist first-year and non-first-year teachers participating in the program and to pay for any other administrative expenses resulting from the program.</p>	<p><b>Section 7</b></p> <p>No change. See note regarding Section 6.</p>	<p><b>Section 8</b></p> <p>No change. See note regarding Section 7.</p>
<p><b>Section 8</b></p> <p><b>(New Section to Chapter 15.1-18.2)</b>  <b>Teacher Support Program - Authorized Service Recipients</b>            This section makes the teacher support program available to teachers employed by school districts, special education units, area career and technology centers, regional education associations, and schools funded by the Bureau of Indian Education.</p> <p>N/A</p>	<p><b>Section 8</b></p> <p>No change. See note regarding Section 6.</p>	<p><b>Section 9</b></p> <p>No change. See note regarding Section 7.</p>
<p><b>Section 9</b></p> <p><b>(Amendment of Section 15.1-21-02.1)</b>  <b>High School Diploma - Minimum Requirements</b>            This section clarifies that in order to obtain a high school diploma, a student must have successfully completed the statutorily required 22 units of high school coursework and any additional units required by the entity issuing the diploma.</p>	<p><b>Section 9</b></p> <p><b>(Amendment of Section 15.1-20-01)</b>  <b>Compulsory Attendance</b>            This section provides that a student's formal schooling must begin with a kindergarten program that meets the requirements of Section 15.1-22-02 and must include all other grades from 1 through 12. The section sets the ages of compulsory attendance at 6 and 16 through June 30, 2015, and at 6 and 17 thereafter. The fiscal note prepared by the Department of Public Instruction did not estimate the cost of adding students to the state aid payment.</p>	<p>This section was removed by the House Education Committee.            The Department of Public Instruction did not estimate the cost of the compulsory attendance provisions, so savings related to removing the provisions are not identifiable.</p>
<p><b>Section 9</b></p> <p><b>(Amendment of Section 15.1-21-02.1)</b>  <b>High School Diploma - Minimum Requirements</b>            This section clarifies that in order to obtain a high school diploma, a student must have successfully completed the statutorily required 22 units of high school coursework and any additional units required by the entity issuing the diploma.</p>	<p><b>Section 10</b></p> <p>No change</p>	<p><b>Section 10</b></p> <p>No change</p>

As Introduced Section 10	Senate Version/Fiscal Effect Section 11	House Education Committee Amendments Section 11
<p><b>(New Section to Chapter 15.1-21)</b> <b>High School Graduation - Minimum Requirements</b></p> <p>This section articulates the 22 units of high school coursework that constitute the minimum requirement for high school graduation.</p>	<p>No change</p>	<p>No change</p>
<p><b>Section 11</b> <b>(Amendment of Section 15.1-21-02.4)</b> <b>North Dakota Career and Technical Education Scholarship</b></p> <p>This section clarifies the requirements for a North Dakota career and technical education scholarship and provides that the requirements for a 3.0 grade point average (GPA) may be calculated using all high school units in which the student was enrolled or only the statutorily required units.</p>	<p><b>Section 12</b> <b>(Amendment of Section 15.1-21-02.4)</b> <b>North Dakota Career and Technical Education Scholarship</b></p> <p>This section clarifies the requirements for a North Dakota career and technical education scholarship and provides that the requirements for a 3.0 GPA may be calculated using all high school units in which the student was enrolled or only the statutorily required units. The section also allows a student to select American sign language from one of the required categories.</p>	<p><b>Section 12</b> No change from second engrossment</p>
<p><b>Section 12</b> <b>(Amendment of Section 15.1-21-02.5)</b> <b>North Dakota Academic Scholarship</b></p> <p>This section clarifies the requirements for a North Dakota academic scholarship and provides that the requirements for a 3.0 GPA may be calculated using all high school units in which the student was enrolled or only the statutorily required units. It also allows a student to take American sign language rather than two units of the same foreign or Native American language.</p>	<p><b>Section 13</b> <b>(Amendment of Section 15.1-21-02.5)</b> <b>North Dakota Academic Scholarship</b></p> <p>This section clarifies the requirements for a North Dakota academic scholarship and provides that the requirements for a 3.0 GPA may be calculated using all high school units in which the student was enrolled or only the statutorily required units. The section allows a student to take American sign language rather than two units of the same foreign or Native American language. The section also clarifies that a student must fulfill any one-unit requirement by means of an advanced placement course and examination or any half-unit requirement by means of a dual-credit course.</p>	<p><b>Section 13</b> No change from second engrossment</p>
<p><b>Section 13</b> <b>(Amendment of Section 15.1-21-02.6)</b> <b>North Dakota Scholarship - Amount - Applicability</b></p> <p>This section requires the State Board of Higher Education to monitor the academic performance of each scholarship recipient and to provide notification to the recipient within five days if the recipient has failed to maintain the required GPA.</p>	<p><b>Section 14</b> <b>(Amendment of Section 15.1-21-02.6)</b> <b>North Dakota Scholarship - Amount - Applicability</b></p> <p>This section provides that if a student meets the statutory requirements for a scholarship, the student is entitled to receive \$1,500 at the beginning of the student's first year of higher education. Beginning with the student's second year of higher education, the scholarship amount is \$750 per semester and is payable provided the student maintains a cumulative GPA of 2.75 and maintains enrollment in a minimum of 15 hours. If at the conclusion of the student's first year, or any semester thereafter, a student has failed to meet the requirements for a scholarship, the student, at the conclusion of the ensuing semester, may apply to the State Board of Higher Education for reinstatement of the scholarship. If a student fails to meet the statutory requirements for a second time, that student may not receive any additional scholarships under this section. The State</p>	<p><b>Section 14</b> This section establishes that the scholarships may be awarded in the amount of \$750 per semester or \$500 per quarter.</p>



As Introduced	Senate Version/Fiscal Effect	House Education Committee Amendments
<p><b>Section 16</b>  <b>(Amendment of Section 15.1-21-18)</b>  <b>Career Interest Inventory - Educational and Career Planning - Consultation</b></p> <p>This section requires each school district to provide students in grade 7 or 8 with an individual consultative process or a nine-week course, for the purpose of discussing the results of their career interest inventory, selecting high school courses appropriate to their educational pursuits and career interests, and developing individual high school education plans. It also provides that upon a student's request, a school district must engage in a consultative review of the student's individual high school education plan at least once during each high school grade.</p>	<p><b>Section 17</b>  <b>(Amendment of Section 15.1-21-18)</b>  <b>Career Interest Inventory - Educational and Career Planning - Consultation</b></p> <p>This section requires each school district to provide students in grade 7 or 8 with an individual consultative process or a nine-week course for the purpose of discussing the results of their career interest inventory, selecting high school courses appropriate to their educational pursuits and career interests, and developing individual high school education plans. The section requires each school district to notify students that they are entitled to a consultative review at least once during each high school grade and to provide the consultative review when requested to do so.</p>	<p><b>Section 18</b>                      No change from second engrossment</p>
<p><b>Section 17</b>  <b>(Amendment of Section 15.1-21-19)</b>  <b>Summative Assessment - Selection - Cost - Exemptions</b></p> <p>This section provides that a student who takes the ACT must take the writing portion as well and further provides that the cost is to be borne by the state.</p>	<p><b>Section 18</b>  <b>(Amendment of Section 15.1-21-19)</b>  <b>Summative Assessment - Selection - Cost - Exemptions</b></p> <p>This section provides that students must take the ACT, including the writing portion or the WorkKeys assessments. It also provides that the cost is to be borne by the state.</p> <p><b>Section 19</b>                      This section provides that students must take the ACT, including the writing portion or the WorkKeys assessments without the writing portion.</p> <p><b>Section 20</b>                      State fiscal effect - The executive recommendation in Senate Bill No. 2013 provided \$678,400 from the general fund for the estimated costs of administering the assessments. The Senate provided an additional \$100,000 from the national board certification fund and \$30,000 in general fund savings provided by removing the Professional Development Advisory Committee per diem to fully fund the cost of the assessments, including the writing test, and to provide a total of \$808,400 for the 2011-13 biennium. Discontinuation of the distribution of the ACT is estimated to save \$560,000 in the state school aid line item.</p>	<p><b>Section 19</b>                      This section provides that students must take the ACT, including the writing portion or the WorkKeys assessments without the writing portion.</p> <p><b>Section 20</b>                      State fiscal effect - The executive recommendation in Senate Bill No. 2013 provided \$678,400 from the general fund for the estimated costs of administering the assessments. The Senate provided an additional \$100,000 from the national board certification fund and \$30,000 in general fund savings provided by removing the Professional Development Advisory Committee per diem to fully fund the cost of the assessments, including the writing test, and to provide a total of \$808,400 for the 2011-13 biennium. Discontinuation of the distribution of the ACT is estimated to save \$560,000 in the state school aid line item.</p> <p>Removing the writing portion of the WorkKeys assessment will not result in any savings as the estimated cost of \$808,800 provided by the department did not include the writing portion of the WorkKeys.</p>
<p>N/A</p>	<p><b>Section 19</b>  <b>(Amendment of Section 15.1-22-01)</b>  <b>Kindergarten - Establishment by Board - Request by Parent - Levy</b></p> <p>This section requires the board of a school district to provide at least a half-day kindergarten program or pay the tuition for a student to attend at least a half-day kindergarten program in another school district.</p>	<p><b>Section 20</b>                      This section provides that the board of a school district shall either provide at least a half-day kindergarten program or pay the tuition for a student to attend at least a half-day kindergarten program in another school district. It removes language that authorized but did not require a school district to provide such a program.</p>
<p><b>Section 18</b>  <b>(Amendment of Section 15.1-27-03.1)</b>  <b>Weighted Average Daily Membership - Determination</b></p> <p>This section clarifies English language proficiency categories, sets 0.10 as the factor for students enrolled in certain isolated school districts, sets 0.06 as the factor for students instructed by teachers participating in a</p>	<p><b>Section 20</b>  <b>(Amendment of Section 15.1-27-03.1)</b>  <b>Weighted Average Daily Membership - Determination</b></p> <p>This section clarifies English language learner proficiency categories, provides that the English language learner weighting factor is not applicable to students who have been in the third of six proficiency categories for</p>	<p><b>Section 21</b>                      No change from second engrossment</p> <p><b>Section 22</b>                      State fiscal effect - The following is a summary of the estimated impact of the formula changes:</p> <ul style="list-style-type: none"> <li>• \$3 million increase - Change from a 0.002 technology factor to a 0.006 data collection factor.</li> <li>• \$2.5 million increase - Increase in the special education factor from 0.07 to 0.073.</li> </ul>

As Introduced	Senate Version/Fiscal Effect	House Education Committee Amendments
<p>supplemental teacher-effectiveness compensation plan, and sets 0.006 as the factor for students enrolled in school districts that have or are in the process of acquiring PowerSchool.</p>	<p>more than three years, and sets 0.10 as the factor for students enrolled in certain isolated school districts. The section also sets 0.006 as the factor for students enrolled in school districts that have or are in the process of acquiring PowerSchool.</p> <p>State fiscal effect - The following is a summary of the estimated impact of the formula changes:</p> <ul style="list-style-type: none"> <li>• \$3 million increase - Change from a 0.002 technology factor to a 0.006 data collection factor.</li> <li>• \$2.5 million increase - Increase in the special education factor from 0.07 to 0.073.</li> <li>• \$115,000 increase - Revision of the isolated school formula.</li> <li>• \$7.5 million increase - Supplemental teacher-effectiveness compensation factor.</li> </ul> <p>The Senate removed the supplemental teacher-effectiveness compensation provisions estimated to cost \$7.5 million and provided for an increase in per student payments in Section 22.</p>	<ul style="list-style-type: none"> <li>• \$115,000 increase - Revision of the isolated school formula.</li> <li>• \$7.5 million increase - Supplemental teacher-effectiveness compensation factor.</li> </ul> <p>The Senate removed the supplemental teacher-effectiveness compensation provisions estimated to cost \$7.5 million and provided for an increase in per student payments.</p> <p>The House restored, with some changes, the supplemental teacher-effectiveness compensation provisions in Sections 27 through 36. A .04 factor is provided in Section 31, but a funding source is not identified.</p>
<p>N/A</p>	<p><b>Section 21</b> (Amendment of Section 15.1-27-03.1 - Effective as of July 1, 2013) <b>Weighted Average Daily Membership - Determination</b></p> <p>Beginning July 1, 2013, this section establishes a weighting factor of 0.20 for students in grades 6 through 8 who are enrolled in an alternative education program for at least an average of 15 hours per week.</p> <p>State fiscal effect - The Department of Public Instruction did not provide an estimate of the future cost of this provision. A fiscal note prepared by the Department of Public Instruction for Senate Bill No. 2316 which was defeated in the Senate included a 0.25 factor for these students and the estimated cost for the 2013-15 biennium totaled \$1.36 million. Based on this estimate, the estimated cost of establishing a 0.20 weighting factor for the 2013-15 biennium would be \$1,088,000.</p>	<p><b>Section 22</b></p> <p>No change from second engrossment</p> <p>State fiscal effect - The Department of Public Instruction did not provide an estimate of the future cost of this provision. A fiscal note prepared by the Department of Public Instruction for Senate Bill No. 2316 which was defeated in the Senate included a 0.25 factor for these students and the estimated cost for the 2013-15 biennium totaled \$1.36 million. Based on this estimate, the estimated cost of establishing a 0.20 weighting factor for the 2013-15 biennium would be \$1,088,000.</p>
<p><b>Section 19</b> (Amendment of Section 15.1-27-04) <b>Per Student Payment Rate</b></p> <p>This section sets the per student payment rates at \$3,879 and \$3,979.</p>	<p><b>Section 22</b> (Amendment of Section 15.1-27-04) <b>Per Student Payment Rate</b></p> <p>This section sets the per student payment rate at \$3,961 for both years of the biennium.</p> <p>State fiscal effect - The increased per student rate is estimated to cost \$39.5 million, \$7.5 million more than the executive recommendation, for the 2011-13 biennium. The Senate removed the supplemental teacher-effectiveness compensation factor estimated to cost \$7.5 million.</p>	<p><b>Section 23</b></p> <p>This section sets the per student payment rate at \$3,930 for the first year of the biennium and at \$3,970 for the second year of the biennium.</p> <p>State fiscal effect - The House reduced the per student payment rate in the first year of the biennium and increased the per student payment rate in the second year of the biennium. The change in per student payment rates is estimated to reduce state school aid by \$2.2 million for the 2011-13 biennium from the Senate version of the bill.</p>

As Introduced	Senate Version/Fiscal Effect	House Education Committee Amendments
<p><b>Section 20</b></p> <p><b>(Amendment of Section 15.1-27-07.2)</b>  <b>Baseline Funding - Determination - Minimum and Maximum Allowable Increases</b></p> <p>This section provides that the total amount of state aid payable to a district per weighted student unit, less any amount received as equity payments per weighted student unit, may not exceed a maximum of 142 percent of the baseline funding for the 2011-12 school year. No maximum is established for any year thereafter.</p>	<p><b>Section 23</b></p> <p>No change</p> <p>State fiscal effect - Changes to the transition minimum and maximum allowable increases are estimated to reduce the funding required for state school aid by \$5.5 million for the 2011-13 biennium.</p>	<p><b>Section 24</b></p> <p>No change</p> <p>State fiscal effect - Changes to the transition minimum and maximum allowable increases are estimated to reduce the funding required for state school aid by \$5.5 million for the 2011-13 biennium.</p>
<p><b>Section 21</b></p> <p><b>(Amendment of Section 15.1-27-11)</b>  <b>Equity Payments</b></p> <p>This section provides that in determining the statewide average imputed taxable valuation per student for purposes of equity payments, the Superintendent of Public Instruction may not include any school district, which if included in the calculation would have an imputed taxable valuation per student that is three times greater than the statewide average imputed taxable valuation per student and any school district, which if included in the calculation would have an imputed taxable valuation per student that is less than one-fifth of the statewide average imputed taxable valuation per student. In addition, the section clarifies the determination of imputed taxable valuation by providing that the divisor is to be the district's general fund mill levy for the taxable year 2008.</p>	<p><b>Section 24</b></p> <p>No change</p> <p>State fiscal effect - The formula revision related to the statewide average imputed taxable valuation per student is estimated to result in an increase in state school aid of \$530,000 for the 2011-13 biennium.</p>	<p><b>Section 25</b></p> <p>No change</p> <p>State fiscal effect - The formula revision related to the statewide average imputed taxable valuation per student is estimated to result in an increase in state school aid of \$530,000 for the 2011-13 biennium.</p>
<p><b>Section 22</b></p> <p><b>(Amendment of Section 15.1-27-35.3)</b>  <b>Payments to School Districts - Unobligated General Fund Balance</b></p> <p>This section provides that federal "education jobs fund" money received by a school district may not be included in a district's unobligated general fund balance for purposes of determining state aid.</p>	<p><b>Section 25</b></p> <p>No change</p>	<p><b>Section 26</b></p> <p>No change</p>
<p><b>Section 23</b></p> <p><b>(New Section to Chapter 15.1-27)</b>  <b>Supplemental Teacher-Effectiveness Compensation Plan</b></p> <p>This section provides that a representative organization authorized by a negotiating unit and the board of a school district may agree to pursue a supplemental teacher-effectiveness compensation plan. The negotiating unit may include all teachers employed by the board to teach in the school district or all teachers employed by the board to teach at a particular school in the district.</p>	<p>These provisions were removed by the Senate.</p>	<p><b>Section 27</b></p> <p>These provisions were reinserted by the House Education Committee, as introduced.</p>



As Introduced	Senate Version/Fiscal Effect	House Education Committee Amendments
<p><b>Section 24</b> <b>(New Section to Chapter 15.1-27)</b> <b>Supplemental Teacher-Effectiveness Compensation Plan - Development Committee - Membership</b></p> <p>This section provides that upon agreeing to pursue a supplemental teacher-effectiveness compensation plan, the board of the school district and the representative organization must form a committee to develop the plan. The membership of the committee must be agreed upon by the board and the representative organization.</p>	<p>These provisions were removed by the Senate.</p>	<p><b>Section 28</b></p> <p>These provisions were reinserted by the House Education Committee, as introduced.</p>
<p><b>Section 25</b> <b>(New Section to Chapter 15.1-27)</b> <b>Supplemental Teacher-Effectiveness Compensation Plan - Required Content</b></p> <p>This section provides that a supplemental teacher-effectiveness compensation plan must include only matters of compensation and it must provide for a determination of compensation that takes into account whether the school district has had difficulty filling a particular position with a suitable and highly qualified teacher, whether a teacher has advanced academic degrees or special skills and knowledge beyond those minimally required for a position, whether a teacher has pursued certified professional development activities beyond those minimally required for a position, and whether a teacher has assumed responsibilities that are beyond those minimally required for a position. It must also take into account various measures of student growth, including academic growth. In addition, the plan must include a rigorous and objective system of teacher evaluation and ensure that no teacher subject to the plan will receive less total compensation than that teacher was eligible to receive under the last negotiated contract.</p>	<p>These provisions were removed by the Senate.</p>	<p><b>Section 29</b></p> <p>These provisions were reinserted by the House Education Committee, as introduced.</p>
<p><b>Section 26</b> <b>(New Section to Chapter 15.1-27)</b> <b>Supplemental Teacher-Effectiveness Compensation Plan - Review Panel</b></p> <p>Each supplemental teacher-effectiveness compensation plan must be reviewed by a committee consisting of two employees of the Department of Public Instruction, two individuals appointed by the North Dakota Council of Educational Leaders, two individuals appointed by the North Dakota Education Association, and two individuals appointed by the North Dakota School Boards Association. The panel must either approve the plan and recommend that the Superintendent of Public Instruction provide funding for the plan or deny the plan and provide suggestions for its modification.</p>	<p>These provisions were removed by the Senate. The Senate also removed \$300,000 provided from the general fund in Senate Bill No. 2013 for the Alternative Teacher Compensation System Review Panel and contracted program adviser.</p>	<p><b>Section 30</b></p> <p>Each supplemental teacher-effectiveness compensation plan must be reviewed by a committee consisting of two employees of the Department of Public Instruction, two individuals appointed by the North Dakota Council of Educational Leaders, two individuals appointed by the North Dakota Education Association, and two individuals appointed by the North Dakota School Boards Association.</p> <p>Beginning April 1, 2012, the panel must review each plan and then, comparing all eligible plans, recommend for funding those that have the greatest potential to increase teacher effectiveness through supplemental compensation.</p> <p>If the cost of funding all of the recommended plans exceeds the resources made available, the review panel must select for funding plans that were developed in districts of varying size.</p> <p>State fiscal effect - Committee discussion identified a cost</p>

As Introduced	Senate Version/Fiscal Effect	House Education Committee Amendments
N/A	N/A	<p>of \$4 million, but a funding source is not identified for the supplemental teacher-effectiveness compensation program. In addition, funding of \$300,000 for the Alternative Teacher Compensation System Review Panel, removed by the Senate, would need to be restored.</p> <p style="text-align: center;"><b>Section 31</b></p> <p><b>(New Section to Chapter 15.1-27)</b>  <b>Supplemental Teacher-Effectiveness Compensation Plan - Determination of Funding - Minimum Amount</b></p> <p>This section provides that if a plan is selected for funding, the Superintendent of Public Instruction must determine the amount to which the submitting district is entitled for use as supplemental teacher-effectiveness compensation. The superintendent must multiply the number of students in average daily membership instructed by the number of full-time equivalent teachers participating in the district's supplemental teacher-effectiveness compensation plan during the 2012-13 school year, multiply the result determined above by a factor of 0.04; and apply the school district size weighting factor.</p> <p>The minimum amount to which a district that submits a selected plan is entitled for use as supplemental teacher-effectiveness compensation is \$2,000 multiplied by the number of full-time equivalent teachers participating in the district's plan.</p> <p>See state fiscal effect note regarding Section 30.</p>
N/A	N/A	<p style="text-align: center;"><b>Section 32</b></p> <p><b>(New Section to Chapter 15.1-27)</b>  <b>Administrative Costs</b></p> <p>This section provides that a school district may use up to 5 percent of the money it receives for its supplemental teacher-effectiveness compensation plan to pay for any additional expenses it has incurred in administering the supplemental teacher-effectiveness compensation plan.</p>
N/A	N/A	<p style="text-align: center;"><b>Section 33</b></p> <p><b>(New Section to Chapter 15.1-27)</b>  <b>Supplemental Teacher-Effectiveness Compensation Plan - Review Panel - Additional Duties</b></p> <p>This section provides additional duties for the review panel. The duties include the development and distribution of guidelines pertaining to the creation of supplemental teacher-effectiveness compensation plans; meeting with and advising plan development committees; and advising the Superintendent of Public Instruction regarding the hiring of employees and the selection of contractors whose duties will be related to supplemental teacher-effectiveness compensation.</p>

As Introduced	Senate Version/Fiscal Effect	House Education Committee Amendments
<p><b>Section 27</b> <b>(New Section to Chapter 15.1-27)</b> <b>Annual Report - Required Content</b></p> <p>This section requires each school district that receives funding to implement a supplemental teacher-effectiveness compensation plan to file an annual report with the Superintendent of Public Instruction and indicate whether the plan has alleviated difficulty filling particular positions, encouraged teachers to pursue advanced academic degrees or acquire special skills and knowledge beyond those minimally required for a position, encouraged teachers to pursue certified professional development activities, or encouraged teachers to assume additional responsibilities. The report also must indicate whether there has been measurable student growth, including academic growth.</p>	<p>These provisions were removed by the Senate.</p>	<p><b>Section 34</b></p> <p>These provisions were reinserted by the House Education Committee, as introduced.</p>
<p><b>Section 28</b> <b>(New Section to Chapter 15.1-27)</b> <b>Existing Contracts - Terms - Effect</b></p> <p>This section provides that a supplemental teacher-effectiveness compensation plan authorized by this Act may take effect on July 1, 2012.</p>	<p>This provision was removed by the Senate.</p>	<p><b>Section 35</b></p> <p>These provisions were reinserted by the House Education Committee, as introduced.</p>
<p><b>Section 29</b> <b>(New Section to Chapter 15.1-27)</b> <b>Plan Review Panel - Reimbursement for Expenses</b></p> <p>This section provides expense reimbursement for each member of the Supplemental Teacher-Effectiveness Compensation Plan Review Panel if the member is attending meetings or performing duties directed by the panel.</p>	<p>These provisions and related funding were removed by the Senate.</p>	<p><b>Section 36</b></p> <p>This section provides expense reimbursement, but not per diem compensation, to each member of the Supplemental Teacher-Effectiveness Compensation Plan Review Panel if the member is attending meetings or performing duties directed by the panel. See state fiscal effect note regarding Section 30.</p>
<p>N/A</p>	<p>N/A</p>	<p><b>Section 37</b> <b>(Amendment of Section 15.1-36-02)</b> <b>School Construction Projects - Loans</b></p> <p>This section increases the amount of school construction loans that a school district is entitled to receive, based on its imputed taxable valuation and alters its interest rate buydown. If an eligible school district's imputed taxable valuation per student is less than 80 percent of the state average imputed valuation per student, the district is entitled to receive a loan equal to the lesser of \$12 million or 80 percent of the actual project cost. A district having an imputed taxable valuation of at least 80 percent but less than 90 percent of the state average imputed taxable valuation per student is entitled to receive a loan equal to the lesser of \$10 million or 70 percent of the actual project cost. A district having an imputed taxable valuation equal to at least 90 percent of the state average imputed taxable valuation per student is entitled to receive a loan equal to the lesser of \$4.5 million or 30 percent of the actual project costs. The interest rate buydowns are equal to at least 100 but not more than 250 basis points below the prevailing tax-free bond</p>

As Introduced	Senate Version/Fiscal Effect	House Education Committee Amendments
N/A	<p><b>Section 26</b>  <b>(Amendment of Section 15.1-37-01)</b>  <b>Early Childhood Education Program - Approval</b>                      This section limits enrollment in approved early childhood education programs to students who have reached age 4 before August 1 of the year of enrollment.</p>	<p>rates.                      State fiscal effect - The effect of these changes to school construction loans may result in less income in the coal development trust fund.</p>
N/A	<p><b>Section 38</b>                      This section limits enrollment in approved early childhood education programs to students who have reached age 4 before August 1 in the year of enrollment. It also clarifies that in determining state aid, the Superintendent of Public Instruction may not count any student enrolled in a regular early childhood education program.</p>	<p><b>Section 38</b>                      This section limits enrollment in approved early childhood education programs to students who have reached age 4 before August 1 in the year of enrollment. It also clarifies that in determining state aid, the Superintendent of Public Instruction may not count any student enrolled in a regular early childhood education program.</p>
N/A	<p>N/A</p>	<p><b>Section 39</b>  <b>(Amendment of Subsection 1 of Section 15.1-37-02)</b>  <b>North Dakota Early Childhood Education Council</b>                      This section adds to the North Dakota Early Childhood Education Council the Commissioner of Commerce and an individual representing children with disabilities. It removes a principal and an elementary schoolteacher.</p>
N/A	<p>N/A</p>	<p><b>Section 40</b>  <b>(Amendment of Section 15.1-37-03)</b>  <b>Council Duties</b>                      This section revises the duties of the North Dakota Early Childhood Education Council. The council is to review the availability and provision of early childhood education, care, and services in this state; identify opportunities for public and private sector collaboration; identify ways to assist with the recruitment and retention of individuals interested in working as providers of early childhood education, care, and services; seek the advice and guidance of individuals who are uniquely familiar with the nature, scope, and associated challenges of providing early childhood education, care, and services in geographically and socioeconomically diverse settings; and develop recommendations pertaining to the short-term and longer-term improvement and expansion of early childhood education, care, and services in the state.</p>
N/A	<p>N/A</p>	<p><b>Section 41</b>  <b>(Amendment of Section 57-15-14)</b>  <b>General Fund Levy Limitations in School Districts</b>                      This section provides that if a school district experiences a rapidly increasing taxable valuation, that district may levy, for the taxable year of the rapidly increasing taxable valuation and the next taxable year, the amount in dollars which the school district levied for the prior school year plus 18 percent, up to a general fund levy of 185 mills. "Rapidly increasing taxable valuation" is defined as an increase of 20 percent or more in taxable valuation from the immediately preceding taxable year.</p>

As Introduced	Senate Version/Fiscal Effect	House Education Committee Amendments
<p><b>Section 30</b></p> <p><b>Isolated Schools - Transition Payments</b></p> <p>This section provides transition payments to school districts that had been receiving additional payments because they contained an isolated school but which do not qualify for the isolated payment factor, as proposed under this Act.</p>	<p><b>Section 27</b></p> <p>No change. See note regarding Section 20.</p>	<p><b>Section 42</b></p> <p>No change. See note regarding Section 21.</p>
<p><b>Section 31</b></p> <p><b>Transportation Grants - Distribution</b></p> <p>This section increases state transportation aid to \$1.03 per mile for schoolbuses having a capacity of 10 or more passengers, 46 cents per mile for vehicles having a capacity of 9 or fewer passengers, 46 cents per mile one way for family transportation, and 26 cents per student for each one-way trip. If any money provided for transportation payments remain after application of the formula, the money is to be prorated as transportation payments.</p> <p>N/A</p>	<p><b>Section 28</b></p> <p>No change</p> <p>State fiscal effect - Senate Bill No. 2013 provides \$48.5 million from the general fund for transportation grants. The 2009 Legislative Assembly appropriated \$43.5 million from the general fund and provided contingent funding of \$5 million from the general fund for supplemental transportation aid payments.</p>	<p><b>Section 43</b></p> <p>This section maintained the payment amounts set forth in the bill as introduced and added a reimbursement of 46 cents per mile, applicable to round-trip family transportation of a student with a disability.</p> <p>State fiscal effect - Senate Bill No. 2013 provides \$48.5 million from the general fund for transportation grants. The 2009 Legislative Assembly appropriated \$43.5 million from the general fund and provided contingent funding of \$5 million from the general fund for supplemental transportation aid payments.</p>
<p>N/A</p>	<p>N/A</p>	<p><b>Section 44</b></p> <p><b>School District Rapid Enrollment Growth - Grant</b></p> <p>This section authorizes the Superintendent of Public Instruction to expend up to \$5 million from the grants - state school aid line item for the purpose of providing a grant to any school district that can demonstrate rapid enrollment growth. If the number of students enrolled in a district increases by at least 3 percent annually, and if that increase is equal to at least 25 students, the district's grant equals 30 percent of the per student payment multiplied by the actual increase in its student enrollment. If the increase is at least 7 percent, and the same conditions are met, the district's grant equals 70 percent of the per student payment multiplied by the actual increase in its student enrollment. If the increase is at least 13 percent, and the same conditions are met, the district's grant equals the per student payment multiplied by the actual increase in its student enrollment. A district may not receive more than \$800,000 annually under this section. If the appropriated amount is insufficient, the Superintendent of Public Instruction is authorized to prorate the grants.</p> <p>State fiscal effect - This section provides that \$5 million from the grants - state aid line item included in Senate Bill No. 2013 is to be used for rapid enrollment grants.</p>
<p><b>Section 32</b></p> <p><b>Use of New Money - Teacher Compensation Increases - Reports to the Legislative Management</b></p> <p>This section requires the board of each school district to use at least 70 percent of all new money received as per student payments to increase the compensation paid to</p>	<p><b>Section 29</b></p> <p><b>Use of New Money - Teacher Compensation Increases - Reports to the Legislative Management</b></p> <p>This section requires the board of each school district to use at least 70 percent of all new money received as per student payments to increase the compensation paid to</p>	<p><b>Section 45</b></p> <p>No change from second engrossment</p>

As Introduced	Senate Version/Fiscal Effect	House Education Committee Amendments
<p>teachers and to provide compensation to teachers who begin employment with the district on or after July 1, 2011.</p>	<p>teachers and to provide compensation to teachers who begin employment with the district on or after July 1, 2011. The section includes several types of money not listed in the bill as introduced, i.e.:</p> <ul style="list-style-type: none"> <li>• Cross-border attendance money.</li> <li>• Deferred maintenance grants.</li> <li>• Federal education jobs fund program money.</li> <li>• Home-based education program monitoring money.</li> <li>• PowerSchool acquisition money.</li> <li>• Regional education association money and grants.</li> </ul>	
<p>N/A</p>	<p><b>Section 30</b> <b>Contingent Money</b></p> <p>This section provides that if any money appropriated to the Superintendent of Public Instruction for state aid payments to school districts remains after the Superintendent complies with all statutory payment obligations imposed for the biennium, the money must be used to provide additional per student payments on a prorated basis.</p> <p>The language in this section was added to Senate Bill No. 2013.</p>	<p>No change from second engrossment</p> <p><b>Section 46</b></p>
<p><b>Section 33</b> <b>Regional Education Associations - Grants</b></p> <p>This section authorizes the Superintendent of Public Instruction to expend up to \$800,000 from the state school aid line item for the purpose of providing grants to eligible regional education associations in order to assist them with the cost of compensating coordinators. The maximum grant payable to a regional education association under this section during each year of the biennium is the lesser of \$50,000 or 70 percent of the total compensation payable to the coordinator.</p>	<p>This appropriation was removed by the Senate.</p>	<p>N/A</p> <p>The language in this section was added to Senate Bill No. 2013.</p>
<p><b>Section 34</b> <b>Appropriation</b></p> <p>This section appropriates \$150,000 to the Department of Commerce for the purpose of providing \$1,200 grants to individuals seeking a child development associate credential.</p>	<p>The related funding for the principal mentorship program was removed from Senate Bill No. 2013.</p>	<p>N/A</p>
<p><b>Section 35</b> <b>Principal Mentorship Grants</b></p> <p>This section directs the Superintendent of Public Instruction to expend \$461,500 from the grants - other grants line item in the Superintendent's appropriation bill and contract with a statewide educational organization for the development and implementation of a principal mentorship program.</p>	<p>This appropriation was removed by the Senate.</p>	<p>N/A</p>
<p><b>Section 36</b> <b>Appropriation</b></p> <p>This section appropriates \$20,000 to the Superintendent of Public Instruction for the purpose of reimbursing expenses incurred by the Supplemental Teacher-Effectiveness Compensation Plan Review Panel.</p>		<p>N/A</p>

As Introduced	Senate Version/Fiscal Effect	House Education Committee Amendments
N/A	<p><b>Section 31</b>  <b>Contingent Transfer by Bank of North Dakota for Special Education</b>            This section provides that if there are insufficient funds with which to fully reimburse school districts for the excess costs of serving the 1 percent of special education students statewide who require the greatest school district expenditures, the Industrial Commission shall transfer the necessary amount from the Bank of North Dakota. Legislation requesting reimbursement of the Bank must be introduced during the 2013 session.</p>	<p><b>Section 47</b>            No change from second engrossment</p>
N/A	<p><b>Section 32</b>  <b>All-Day Kindergarten - Impact Report</b>            This section requires each school district that provided full-day kindergarten during the previous school year to file a report with the Superintendent of Public Instruction indicating the nature and extent of any measurable academic growth experienced by the students who were enrolled in the program.</p>	Removed by the House Education Committee
N/A	<p><b>Section 33</b>  <b>Legislative Management Study - Teacher Compensation</b>            This section directs the Legislative Management to consider studying ways to reform the manner in which teacher compensation is determined, with a view to recruiting, developing, and retaining a high-quality teaching workforce capable of significantly improving student performance.</p>	Removed by the House Education Committee
N/A	N/A	<p><b>Section 48</b>  <b>Legislative Management Study - Adult Education</b>            This section directs the Legislative Management to consider studying the provision and funding of adult education.</p>
N/A	N/A	<p><b>Section 49</b>  <b>Education Funding and Taxation Committee - Study</b>            This section creates the Education Funding and Taxation Committee. The committee consists of the chairmen of the House and Senate Education and Taxation Committees and five legislators appointed by the chairman of the Legislative Management. In addition, the committee has as nonvoting members the Tax Commissioner, the Superintendent of Public Instruction, a representative of the Governor, and two school district business managers. The committee is charged with examining short-term and longer-term state and local involvement in funding elementary and secondary education and is authorized to form workgroups, task forces, and subcommittees to seek additional information and outside expertise. Each member of the committee and any individual requested by the chairman to serve on a</p>

As Introduced	Senate Version/Fiscal Effect	House Education Committee Amendments
N/A	N/A	<p>workgroup, task force, or subcommittee is entitled to receive reimbursement for actual and necessary expenses incurred in the same manner as state officials and each legislator serving on the committee is entitled to receive per diem compensation.</p> <p>State fiscal impact - The fiscal impact of the Education Funding and Taxation Committee will depend on the number of times the committee meets.</p>
N/A	N/A	<p><b>Section 50</b>  <b>Supplemental Teacher-Effectiveness Compensation Plans - Exemption - Carryover Authority</b></p> <p>This section provides that Section 54-44.1-11 does not apply to any money included in the grants - state school aid line item for the purpose of funding supplemental teacher-effectiveness compensation plans during the 2011-13 biennium. Any money not expended by June 30, 2013, must be continued and expended only for the purpose of funding supplemental teacher-effectiveness compensation plans during the 2013-15 biennium.</p> <p>State fiscal impact - Funding remaining in the grants - state school aid line item after, all other obligations, is typically provided to school districts as additional state school aid. In addition, Section 54 provides that the supplemental teacher-effectiveness compensation program will expire June 30, 2013.</p>
N/A	N/A	<p><b>Section 51</b>  <b>Repeal</b></p> <p>This section repeals various North Dakota Century Code sections pertaining to professional development. The repeal will take effect on July 1, 2013, in accordance with Section 53.</p>
<p><b>Section 37</b>  <b>Repeal</b></p> <p>This section repeals Section 15.1-27-15, which pertains to isolated schools.</p>	<p><b>Section 34</b></p> <p>No change</p>	<p><b>Section 52</b></p> <p>No change</p>
N/A	<p><b>Section 35</b>  <b>Effective Date</b></p> <p>This section makes Section 21 effective on July 1, 2013.</p>	<p><b>Section 53</b></p> <p>This section makes Sections 22 and 51 effective on July 1, 2013.</p>
N/A	N/A	<p><b>Section 54</b></p> <p>This section sunsets the supplemental teacher-effectiveness compensation program on June 30, 2013.</p> <p>State fiscal effect - See note regarding Section 50.</p>



SB 2150  
Education Committee  
4/9/11  
Attachment #1

## SUM RATIO CALCULATIONS

### SUM RATIO

$$RCTVAL5 + RDTAXLS + RCDFGIE - RDTVPPS = \text{SUM RATIO}$$

### RCTVAL5

$$\text{District Total Capital Debt / Taxable Valuation} * \text{Weighting Factor} = \text{RCTVAL5}$$

The higher the ratio, the greater the need

$$\$22,125,000 / \$34,070,448 * 5 = 3.2469$$

### RDTAXLS

$$\text{District Total Levy / ND Average Total Levy} = \text{RDTAXLS}$$

The higher the ratio, the greater the need

$$124 / 142.32 = 0.8712$$

### RCDFGIE

$$\text{District Total Capital Debt / Fund Group I Expenditures} = \text{RCDFGIE}$$

The higher the ratio, the greater the need

$$\$22,125,000 / \$22,533,774 = 0.9818$$

### RDTVPPS

$$\text{District Imputed Taxable Valuation Per Student / State Imputed Taxable Value Per Student} = \text{RDTVPPS}$$

The lower the ratio, the greater the need

$$\$17,098 / \$25,918 = 0.6581$$

$$3.2469 + 0.8712 + 0.9818 - 0.6581 = \underline{4.4419 \text{ Sum Ratio}}$$

### Interest Rate Discount Table

Sum Ratio	Interest Rate Discount
5 or more	2.00%
4 to less than 5	1.70%
3 to less than 4	1.40%
2 to less than 3	1.10%
1 to less than 2	0.80%
0 to less than 1	0.50%

### Loan Eligibility Table

Imputed Taxable Valuation Per Student Percent	Percent of Project	Maximum Loan
Less than 80% of the state average	80.00%	8,000,000
80% to less than 90% of the state average	70.00%	7,000,000
90% or more	30.00%	2,500,000

**SCHOOL CONSTRUCTION LOAN PROGRAM  
INTEREST RATES AS OF 2/1/11**

<b><u>10 YEAR TERM</u></b>	<b><u>AAA</u></b>	<b><u>AA</u></b>	<b><u>A</u></b>	<b><u>BAA-1</u></b>
COMPARABLE 10 YR RATE	3.52%	4.09%	4.49%	5.06%
MINNIMUM RATE	1.52%	2.09%	2.49%	3.06%
SUMRATIO <1	3.02%	3.59%	3.99%	4.56%
SUMRATIO 1-2	2.72%	3.29%	3.69%	4.26%
SUMRATIO 2-3	2.42%	2.99%	3.39%	3.96%
SUMRATIO 3-4	2.12%	2.69%	3.09%	3.66%
SUMRATIO 4-5	1.82%	2.39%	2.79%	3.36%
SUMRATIO >=5	1.52%	2.09%	2.49%	3.06%

<b><u>15 YEAR TERM</u></b>	<b><u>AAA</u></b>	<b><u>AA</u></b>	<b><u>A</u></b>	<b><u>BAA-1</u></b>
COMPARABLE 15 YR RATE	4.27%	4.94%	5.24%	5.74%
MINNIMUM RATE	2.27%	2.94%	3.24%	3.74%
SUMRATIO <1	3.77%	4.44%	4.74%	5.24%
SUMRATIO 1-2	3.47%	4.14%	4.44%	4.94%
SUMRATIO 2-3	3.17%	3.84%	4.14%	4.64%
SUMRATIO 3-4	2.87%	3.54%	3.84%	4.34%
SUMRATIO 4-5	2.57%	3.24%	3.54%	4.04%
SUMRATIO >=5	2.27%	2.94%	3.24%	3.74%

<b><u>20 YEAR TERM</u></b>	<b><u>AAA</u></b>	<b><u>AA</u></b>	<b><u>A</u></b>	<b><u>BAA-1</u></b>
COMPARABLE 20 YR RATE	4.71%	5.31%	5.78%	7.58%
MINNIMUM RATE	2.71%	3.31%	3.78%	5.58%
SUMRATIO <1	4.21%	4.81%	5.28%	7.08%
SUMRATIO 1-2	3.91%	4.51%	4.98%	6.78%
SUMRATIO 2-3	3.61%	4.21%	4.68%	6.48%
SUMRATIO 3-4	3.31%	3.91%	4.38%	6.18%
SUMRATIO 4-5	3.01%	3.61%	4.08%	5.88%
SUMRATIO >=5	2.71%	3.31%	3.78%	5.58%

Comparable interest rates are based on Bloomberg Daily Generic OAS Yields for GO Municipal Bonds. This information was provided by BND.

**PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2150**

In lieu of the amendments adopted by the House as printed on pages 1229-1268 of the House Journal, Reengrossed Senate Bill No. 2150 is amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 15.1-09.1, a new section to chapter 15.1-18.2, three new sections to chapter 15.1-21, and ten new sections to chapter 15.1-27 of the North Dakota Century Code, relating to regional education associations, the professional development advisory committee, North Dakota scholarships, and supplemental teacher-effectiveness compensation; to amend and reenact sections 15.1-06-04, 15.1-07-33, 15.1-09-58, 15.1-09.1-02, 15.1-21-02.1, 15.1-21-02.4, 15.1-21-02.5, 15.1-21-02.6, 15.1-21-08, 15.1-21-18, 15.1-21-19, 15.1-22-01, 15.1-27-03.1, 15.1-27-04, 15.1-27-07.2, 15.1-27-11, 15.1-27-35.3, 15.1-36-02, and 15.1-37-01, subsection 1 of section 15.1-37-02, and sections 15.1-37-03 and 57-15-14 of the North Dakota Century Code, relating to the school calendar, technology, regional education associations, curriculum requirements, assessments, scholarships, student consultations, state aid, school construction funding, early childhood education, care, and services, and taxable valuations; to repeal section 6 of this Act and sections 15.1-18.2-01, 15.1-18.2-02, 15.1-18.2-03, and 15.1-27-15 of the North Dakota Century Code, relating to professional development and isolated schools; to provide a continuing appropriation; to provide for compensation increases, transition payments, contingent payments, carryover authority, and the distribution of transportation grants and rapid enrollment growth grants; to provide for legislative management studies; to provide an effective date; and to provide an expiration date.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. AMENDMENT.** Section 15.1-06-04 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-06-04. School calendar - Length.**

1. During the 2009-10 school year, a school district shall provide for a school calendar of at least one hundred eighty days.
  - a. One hundred seventy-three days must be used for instruction;
  - b. Three days must be used for holidays, as selected by the school board in consultation with district teachers from the list provided for in subdivisions b through j of subsection 1 of section 15.1-06-02;
  - c. Up to two days must be used for:
    - (1) Parent-teacher conferences; or
    - (2) Compensatory time for parent-teacher conferences held outside regular school hours; and

- d. Two days must be used for professional development.
  2. ~~During~~Beginning with the 2010-11 school year, a school district shall provide for a school calendar of at least one hundred eighty-one days.
    - a. One hundred seventy-four days must be used for instruction;
    - b. Three days must be used for holidays, as selected by the board in consultation with district teachers from the list provided for in subdivisions b through j of subsection 1 of section 15.1-06-02;
    - c. Up to two days must be used for:
      - (1) Parent-teacher conferences; or
      - (2) Compensatory time for parent-teacher conferences held outside of regular school hours; and
    - d. Two days must be used for professional development.
  3. ~~Beginning with the 2011-12~~2012-13 school year, a school district shall provide for a school calendar of at least one hundred eighty-two days.
    - a. One hundred seventy-five days must be used for instruction;
    - b. Three days must be used for holidays, as selected by the board in consultation with district teachers from the list provided for in subdivisions b through j of subsection 1 of section 15.1-06-02;
    - c. Up to two days must be used for:
      - (1) Parent-teacher conferences; or
      - (2) Compensatory time for parent-teacher conferences held outside of regular school hours; and
    - d. Two days must be used for professional development.
  4. A day for professional development must consist of:
    - a. Six hours of professional development, exclusive of meals and other breaks, conducted within a single day; or
    - b. Two four-hour periods of professional development, exclusive of meals and other breaks, conducted over two days.
  5. If a school district offers a four-hour period of professional development, as permitted in subdivision b of subsection 4, the school district may schedule instruction during other available hours on that same day and be credited with providing one-half day of instruction to students. This subsection does not apply unless the one-half day of instruction equals at least one-half of the time required for a full day of instruction, as defined in this section.
  6.
    - a. In meeting the requirements for two days of professional development under this section, a school district may require that its teachers attend the North Dakota education association instructional conference and may pay teachers for attending the conference, provided their attendance is verified.

- b. In meeting the requirements for two days of professional development under this section, a school district may consider attendance at the North Dakota education association instructional conference to be optional, elect not to pay teachers for attending the instructional conference, and instead direct any resulting savings toward providing alternate professional development opportunities.
  - c. A school district may not require the attendance of teachers in school or at any school-sponsored, school-directed, school-sanctioned, or school-related activities and may not schedule classroom instruction time nor alternate professional development activities on any day that conflicts with the North Dakota education association instructional conference.
7. Beginning with the 2010-11 school year, if a school district elects to provide an optional third day of professional development, the school district shall do so by:
- a. Meeting the requirements for a day of professional development as set forth in subsection 4; or
  - b. Shortening four instructional days, for the purpose of providing for two-hour periods of professional development, provided:
    - (1) Each instructional day on which such professional development occurs includes at least four hours of instruction for kindergarten and elementary students and four and one-half hours for high school students;
    - (2) The instructional time for each course normally scheduled on that day is reduced proportionately or the daily schedule is reconfigured to ensure that the same course is not subject to early dismissal more than one time per school calendar, as a result of this subdivision; and
    - (3) All teachers having a class dismissed as a result of this subdivision are required to be in attendance and participate in the professional development.
- 8.
- a. If a school's calendar provides for an extension of each schoolday beyond the statutorily required minimum number of hours, and if the extensions when aggregated over an entire school year amount to more than eighty-four hours of additional classroom instruction during the school year, the school is exempt from having to make up six hours of instruction time lost as a result of weather-related closure. In order to make up lost classroom instruction time beyond the six hours, the school must extend its normal school calendar day by at least thirty minutes.
  - b. A school that does not qualify under the provisions of this subsection must extend its normal schoolday by at least thirty minutes to make up classroom instruction time lost as a result of weather-related closure.
  - c. If because of weather a school must dismiss before completing a full day of instruction, the school is responsible for making up only those hours and portions of an hour between the time of early dismissal and the conclusion of a full day of classroom instruction.

9. For purposes of this section, a full day of instruction consists of:
  - a. At least five and one-half hours for kindergarten and elementary students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction; and
  - b. At least six hours for high school students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction.

**SECTION 2. AMENDMENT.** Section 15.1-07-33 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-07-33. Student information system - Statewide coordination - Financial support - Exemption.**

1. Notwithstanding any other technology requirements imposed by the superintendent of public instruction, the information technology department, or the North Dakota educational technology council, each school district shall acquire PowerSchool through the information technology department and use it as its principal student information system.
2. The superintendent of public instruction shall forward that portion of a school district's state aid which is payable by the superintendent under subdivision n of subsection 1 of section 15.1-27-03.1 directly to the information technology department to reimburse the department for the cost of the school district's acquisition, implementation, or utilization of PowerSchool and any related technology support services. The superintendent shall forward the amount payable under this subsection at the same time and in the same manner as provided for other state aid payments under section 15.1-27-01.
3. If the portion of a school district's state aid forwarded to the information technology department under subsection 2 exceeds the cost incurred by the information technology department in providing for the school district's acquisition, implementation, or utilization of PowerSchool and any related technology support services, the information technology department shall return the excess moneys to the superintendent of public instruction for redistribution to the school district as per student payments.
4. The superintendent of public instruction may exempt a school district from having to acquire and utilize PowerSchool if the school district demonstrates that, in accordance with requirements of the bureau of Indian education, the district has acquired and is utilizing a student information system that is determined to be comparable by the superintendent.

**SECTION 3. AMENDMENT.** Section 15.1-09-58 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-09-58. ~~Prekindergarten program~~ Early childhood education -  
Authorization - Support.**

The board of a school district may establish a ~~prekindergarten~~ early childhood program and may ~~receive and expend any state moneys specifically appropriated for the program, any federal funds~~ support that program with:

1. Local tax revenues, other than those necessary to support the district's kindergarten program and the district's provision of elementary and high school educational services;
2. Federal moneys specifically appropriated or approved for the program; ~~and any gifts~~
3. Gifts, grants, and donations specifically given for the program.

**SECTION 4. AMENDMENT.** Section 15.1-09.1-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-09.1-02. Regional education association - Joint powers agreement -  
Review by superintendent of public instruction - Criteria.**

~~Before~~ In order for a group of school districts ~~may~~ to be designated as a regional education association, the superintendent of public instruction shall review the joint powers agreement that the districts have entered and verify that: the requirements of this section have been met.

1. The school districts must:
  - a. Have a combined total land mass of at least five thousand eight hundred square miles [1502193 hectares];
  - b. (1) Have a combined total land mass of at least four thousand five hundred square miles [1165494 hectares]; and  
(2) Number at least twelve;
  - c. (1) Have a combined total land mass of at least four thousand square miles [1035995 hectares]; and  
(2) Have at least three thousand students in average daily membership; or
  - d. (1) Have a combined total land mass of at least one thousand five hundred square miles [388498 hectares]; and  
(2) Have at least seven thousand five hundred students in average daily membership.
2. The school districts ~~are~~ must be contiguous to each other or, if the districts are not contiguous to each other, the superintendent of public instruction shall verify that the participating districts can provide sound educational opportunities to their students in a fiscally responsible manner without injuring other school districts or regional education associations and without negatively impacting the ability of other school districts or regional education associations to provide sound educational opportunities to their students in a fiscally responsible manner. A decision by the superintendent



of public instruction under this subsection may be appealed to the state board of public school education. A decision by the state board is final.

3. The joint powers agreement ~~requires~~ must require that the participating school districts maintain a joint operating fund ~~and share various administrative functions and student services in accordance with subsection 4.~~
4.
  - a. ~~During the first two school years in which a regional education association is operational, each participating school district shall share in at least two administrative functions and two student services, selected by the district.~~
  - b. ~~During the third and fourth school years in which a regional education association is operational, each participating school district shall share in at least three administrative functions and three student services, selected by the district.~~
  - c. ~~During the fifth school year in which a regional education association is operational, and each year thereafter, each participating school district shall share at least five administrative functions and five student services, selected by the district.~~
  - d. For purposes of this subsection:
    - (1) "Administrative functions" means:
      - (a) Business management;
      - (b) Career and technical education services management;
      - (c) Curriculum mapping or development;
      - (d) Data analysis;
      - (e) Federal program support;
      - (f) Federal title program management;
      - (g) Grant writing;
      - (h) School improvement;
      - (i) School safety and environment management;
      - (j) Special education services management;
      - (k) Staff development;
      - (l) Staff retention and recruitment;
      - (m) Staff sharing;
      - (n) Technology support; and
      - (o) Any other functions approved by the superintendent of public instruction.
    - (2) "Student services" means:
      - (a) Advanced placement classes;

- ~~(b) Alternative high schools or alternative high school programs;~~
- ~~(c) Career and technical education classes;~~
- ~~(d) Counseling services;~~
- ~~(e) Common elementary curricula;~~
- ~~(f) Distance learning classes;~~
- ~~(g) Dual credit classes;~~
- ~~(h) Foreign language classes;~~
- ~~(i) Library and media services;~~
- ~~(j) Summer programs;~~
- ~~(k) Supplemental instruction programs; and~~
- ~~(l) Any other services approved by the superintendent of public instruction.~~

~~e. For purposes of this subsection, if a regional education association became operational before July 1, 2005, the 2005-06 school year must be considered the provider's first year of operation.~~

~~6.~~ The joint powers agreement ~~provides~~must provide:

- ~~a.~~ Criteria for the future participation of school districts that were not parties to the original joint powers agreement;
- ~~b.~~ An application process by which school districts that were not parties to the original joint powers agreement can become participating districts; and
- ~~c.~~ A process by which school districts that were not parties to the original joint powers agreement and whose application to participate in the agreement was denied can appeal the decision to the superintendent of public instruction.

~~6.5.~~ The joint powers agreement ~~provides~~must provide for the employment and compensation of staff.

~~7.6.~~ The joint powers agreement must:

- ~~a.~~ ~~Establishes~~Establish the number of members on the governing board;
- ~~b.~~ ~~Establishes~~Establish the manner in which members of the governing board are determined;
- ~~c.~~ ~~Requires all members~~Require that each member of the governing board ~~or their designees to be individuals~~be an individual currently serving on the board of a participating school district ~~or the designee of a participating school district's board~~; and
- ~~d.~~ ~~Allows~~Allow for the inclusion of ex officio nonvoting members on the governing board.

- 8-7. The joint powers agreement ~~provides~~must provide that the board of the regional education association shall meet at least quarterly.
- 9-8. The joint powers agreement ~~does~~may not permit the regional education association to compensate members of the regional education association board for attending meetings of the board and does not permit the regional education association to reimburse members of the board for any expenses incurred in attending meetings of the board.

**SECTION 5.** A new section to chapter 15.1-09.1 of the North Dakota Century Code is created and enacted as follows:

**Regional education association - Services to be offered.**

1. In order to be eligible for state funding, a regional education association must offer the following services to its member districts:
  - a. Coordination and facilitation of professional development activities for teachers and administrators employed by its member districts;
  - b. Supplementation of technology support services;
  - c. Assistance with achieving school improvement goals identified by the superintendent of public instruction;
  - d. Assistance with the collection, analysis, and interpretation of student achievement data; and
  - e. Assistance with the expansion and enrichment of curricular offerings.
2. Subsection 1 does not preclude a regional education association from offering additional services to its member districts.

**SECTION 6.** A new section to chapter 15.1-18.2 of the North Dakota Century Code is created and enacted as follows:

**Professional development advisory committee - Reimbursement of members.**

Each member of the professional development advisory committee is entitled to receive reimbursement for expenses as provided by law for state officers if the member is attending committee meetings, except that no member may receive reimbursement under this section for more than three committee meetings during each year of the biennium.

**SECTION 7. AMENDMENT.** Section 15.1-21-02.1 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.1. High school graduation—Diploma—Diploma - Minimum requirements.**

Except as provided in section 15.1-21-02.3, before a school district, a nonpublic high school, or the center for distance education issues a high school diploma to a student, the student must have successfully completed ~~the following twenty-two units of high school coursework:~~

1. ~~Four units of English language arts from a sequence that includes literature, composition, and speech;~~
2. ~~Three units of mathematics;~~
3. ~~Three units of science, including:~~
  - a. ~~One unit of physical science;~~
  - b. ~~One unit of biology; and~~
  - c. ~~(1) One unit of any other science; or~~  
~~(2) Two one-half units of any other science;~~
4. ~~Three units of social studies, including:~~
  - a. ~~One unit of United States history;~~
  - b. ~~(1) One-half unit of United States government and one-half unit of economics; or~~  
~~(2) One unit of problems of democracy; and~~
  - c. ~~One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;~~
5. ~~a. One unit of physical education; or~~  
~~b. One-half unit of physical education and one-half unit of health;~~
6. ~~Three units of:~~
  - a. ~~Foreign languages;~~
  - b. ~~Native American languages;~~
  - c. ~~Fine arts; or~~
  - d. ~~Career and technical education courses; and~~
7. ~~Any five additional units.~~
  1. The twenty-two units of high school coursework set forth in section 8 of this Act; and
  2. Any additional units of high school coursework required by the issuing entity.

**SECTION 8.** A new section to chapter 15.1-21 of the North Dakota Century Code is created and enacted as follows:

**High school graduation - Minimum requirements.**

Except as provided in section 15.1-21-02.3, the following twenty-two units of high school coursework constitute the minimum requirement for high school graduation:

1. Four units of English language arts from a sequence that includes literature, composition, and speech;
2. Three units of mathematics;
3. Three units of science, including:
  - a. One unit of physical science;
  - b. One unit of biology; and
  - c. (1) One unit of any other science; or  
(2) Two one-half units of any other science;
4. Three units of social studies, including:
  - a. One unit of United States history;
  - b. (1) One-half unit of United States government and one-half unit of economics; or  
(2) One unit of problems of democracy; and
  - c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;
5. a. One unit of physical education; or  
b. One-half unit of physical education and one-half unit of health;
6. Three units of:
  - a. Foreign languages;
  - b. Native American languages;
  - c. Fine arts; or
  - d. Career and technical education courses; and
7. Any five additional units.

**SECTION 9. AMENDMENT.** Section 15.1-21-02.4 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.4. North Dakota career and technical education scholarship.**

Any resident student who graduates from a high school during or after the 2010-11 school year is eligible to receive a North Dakota career and technical education scholarship provided the student ~~completes all requirements set forth in subsections 1 through 5 and subsection 7 of section 15.1-21-02.1 for a high school diploma and:~~

1. Completed four units of English language arts from a sequence that includes literature, composition, and speech;
2. Completed three units of mathematics, including:

- a. ~~Completes one~~One unit of algebra II, as defined by the superintendent of public instruction, ~~in fulfillment of the mathematics requirement set forth in subsection 2 of section 15.1-21-02.4; and~~
  - b. ~~Completes two~~Two units of any other mathematics;
3. Completed three units of science, including:
- a. One unit of physical science;
  - b. One unit of biology; and
  - c. (1) One unit of any other science; or  
 (2) Two one-half units of any other science;
4. Completed three units of social studies, including:
- a. One unit of United States history;
  - b. (1) One-half unit of United States government and one-half unit of economics; or  
 (2) One unit of problems of democracy; and
  - c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;
5. a. Completed one unit of physical education; or  
 b. One-half unit of physical education and one-half unit of health;
6. Completed:
- a. One unit selected from:
    - (1) Foreign languages;
    - (2) Native American languages;
    - (3) American sign language;
    - (4) Fine arts; or
    - (5) Career and technical education courses; and
  - b. Two units of a coordinated plan of study recommended by the department of career and technical education and approved by the superintendent of public instruction; ~~and~~
- e.7. ~~Completes three~~Completed any five additional units, two of which must be in the area of career and technical education;
2. ~~Obtains a grade of at least "C" in each unit or one-half unit required for the diploma;~~
- 3-8. a. (1) ~~Obtains~~Obtained a cumulative grade point average of at least "B"3.0 on a 4.0 grading scale, as determined by the

superintendent of public instruction, based on all high school units in which the student was enrolled; and

(2) Obtained a grade of at least "C" in each unit or one-half unit; or

b. (1) Obtained a cumulative grade point average of at least 3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based only on the units required by subsections 1 through 7 of this section; and

(2) Obtained a grade of at least "C" in each unit or one-half unit; and

4.9. ReceivesReceived:

a. A composite score of at least twenty-four on an ACT; or

b. A score of at least five on each of three WorkKeys assessments recommended by the department of career and technical education and approved by the superintendent of public instruction.

**SECTION 10. AMENDMENT.** Section 15.1-21-02.5 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.5. North Dakota academic scholarship.**

Any resident student who graduates from a high school during or after the 2010-11 school year is eligible to receive a North Dakota academic scholarship provided the student ~~completes all requirements set forth in subsections 1 through 5 and subsection 7 of section 15.1-21-02.1 for a high school diploma and:~~

1. Completed four units of English language arts from a sequence that includes literature, composition, and speech;

2. Completed three units of mathematics, including:

a. ~~Completes one~~One unit of algebra II, as defined by the superintendent of public instruction, ~~in fulfillment of the mathematics requirement set forth in subsection 2 of section 15.1-21-02.1; and~~

b. ~~Completes one additional~~One unit of mathematics for which algebra II, as defined by the superintendent of public instruction, is a prerequisite; ~~and~~

~~e.3. Completes~~Completed three units of science, including:

a. One unit of physical science;

b. One unit of biology; and

c. (1) One unit of any other science; or

(2) Two one-half units of any other science;

4. Completed three units of social studies, including:

a. One unit of United States history;

- b. (1) One-half unit of United States government and one-half unit of economics; or
    - (2) One unit of problems of democracy; and
  - c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;
- 5. a. Completed one unit of physical education; or
- b. One-half unit of physical education and one-half unit of health;
- 6. a. Completed:
  - (1) Two units of the same foreign or native American language;
  - (2) One unit of fine arts or career and technical education American sign language; and
- (3)b. One unit of a foreign or native selected from:
  - (1) Foreign languages;
  - (2) Native American language, fine languages;
  - (3) American sign language;
  - (4) Fine arts, or career, or
  - (5) Career and technical education;
- 2. ~~Obtains a grade of at least "C" in each unit or one-half unit required for the diploma;~~
- 3.7. ~~Obtains~~Completed any five additional units, one of which must be in the area of fine arts or career and technical education;
- 8. a. (1) Obtained a cumulative grade point average of at least "B"3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based on all high school units in which the student was enrolled; and
- (2) Obtained a grade of at least "C" in each unit or one-half unit; or
- b. (1) Obtained a cumulative grade point average of at least 3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based only on the units required by subsections 1 through 7 of this section; and
- (2) Obtained a grade of at least "C" in each unit or one-half unit;
- 4.9. ~~Receives~~Received a composite score of at least twenty-four on an ACT; and
- 5.10. a. CompletesFulfilled any one unit requirement set forth in subsections 1 through 7 of this section by means of an advanced placement course and examination; or



- b. Fulfilled any one-half unit requirement set forth in subsections 1 through 7 of this section by means of a dual-credit course.

**SECTION 11. AMENDMENT.** Section 15.1-21-02.6 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.6. North Dakota scholarship - Amount - Applicability.**

1. a. The state board of higher education shall provide to any student certified as being eligible by the superintendent of public instruction either a North Dakota academic scholarship or a North Dakota career and technical education scholarship in the amount of seven hundred fifty dollars for each semester during which the student is enrolled full time at an accredited institution of higher education in this state and maintains a cumulative grade point average of 2.75.  
  
b. The state board of higher education shall provide to any student certified as being eligible by the superintendent of public instruction either a North Dakota academic scholarship or a North Dakota career and technical education scholarship in the amount of five hundred dollars for each quarter during which the student is enrolled full time at an accredited institution of higher education in this state and maintains a cumulative grade point average of 2.75.
2. A student is not entitled to receive more than six thousand dollars under this section.
3. The state board of higher education shall forward the scholarship directly to the institution in which the student is enrolled.
4. a. (1) This section does not require a student to be enrolled in consecutive semesters.  
  
(2) This section does not require a student to be enrolled in consecutive quarters.  
  
b. However, a scholarship under this section is valid only for six academic years after the student's graduation from high school and may not be applied to graduate programs.
5. A scholarship under this section is available to any eligible student who graduates from a high school in this state or from a high school in a bordering state under chapter 15.1-29.

**SECTION 12.** A new section to chapter 15.1-21 of the North Dakota Century Code is created and enacted as follows:

**North Dakota scholarship - Eligibility - One-time exception.**

1. a. Notwithstanding section 15.1-21-02.6, if a student's cumulative grade point average as determined by the state board of higher education at the conclusion of a semester is below 2.75, the board shall grant an exception and provide the North Dakota scholarship to which the student would otherwise be entitled for the next semester in which the student is enrolled full time. The exception provided by this section is applicable to a student only one time.

- b. If a student's cumulative grade point average as determined by the state board of higher education at the conclusion of a semester is below 2.75 for a second time, the student is no longer eligible to receive any additional North Dakota scholarships.
- 2. a. Notwithstanding section 15.1-21-02.6, if a student's cumulative grade point average as determined by the state board of higher education at the conclusion of a quarter is below 2.75, the board shall grant an exception and provide the North Dakota scholarship to which the student would otherwise be entitled for the next quarter in which the student is enrolled full time. The exception provided by this section is applicable to a student only one time.
- b. If a student's cumulative grade point average as determined by the state board of higher education at the conclusion of a quarter is below 2.75 for a second time, the student is no longer eligible to receive any additional North Dakota scholarships.

**SECTION 13.** A new section to chapter 15.1-21 of the North Dakota Century Code is created and enacted as follows:

**North Dakota scholarship fund - Biannual transfer - Continuing appropriation.**

- 1. Once each semester, the state board of higher education shall certify to the state treasurer the amount necessary to provide the North Dakota academic scholarships and the North Dakota career and technical education scholarships, as set forth in sections 15.1-21-02.4 and 15.1-21-02.5.
- 2. Upon receiving the certification, the state treasurer shall transfer the certified amount from the interest and other income of the lands and minerals trust fund to the North Dakota scholarship fund.
- 3. All moneys in the North Dakota scholarship fund are appropriated on a continuing basis to the state board of higher education for the exclusive purpose of providing North Dakota academic scholarships and North Dakota career and technical education scholarships.

**SECTION 14. AMENDMENT.** Section 15.1-21-08 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-08. Reading, mathematics, and science - Administration of test.**

- 1. ~~The superintendent of public instruction shall administer to public school students a test that is aligned to the state content and achievement standards in reading and mathematics. This test must be administered to all public school students in at least one grade level selected within each of the following grade spans: grades three through five; grades six through nine; and grades ten through twelve. Beginning no later than the 2005-06 school year and annually thereafter, the superintendent of public instruction shall administer the reading and mathematics test annually to all public school students in grades three, four, five, six, seven, eight, and eleven.~~

2. ~~Beginning no later than the 2007-08 school year and annually thereafter,~~ The superintendent of public instruction shall administer a test that is aligned to the state content and achievement standards in science. This test must be administered to all public school students in at least one grade level selected from three through five; in at least one grade level selected from six through nine; and in grade eleven. The superintendent of public instruction may not administer the grade eleven test after December first of each school year.

**SECTION 15. AMENDMENT.** Section 15.1-21-18 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-18. Career interest inventory - Educational and career planning - Consultation.**

1. A school district shall administer to students, once during their enrollment in grade seven or eight and once during their enrollment in grade nine or ten, a career interest inventory recommended by the department of career and technical education and approved by the superintendent of public instruction.
2. At least once during the seventh or eighth grade, each school district shall arrange for students to participate in either an individual consultative process or a nine-week course, for the purpose of discussing the results of their career interest inventory, selecting high school courses appropriate to their educational pursuits and career interests, and developing individual high school education plans.
3. Each school district shall notify its high school students that, upon request, a student is entitled to receive a consultative review of the student's individual high school education plan at least once during each high school grade. Upon the request of a student, the school district shall provide the consultative review.
4. Each school district shall verify compliance with the requirements of this section at the time and in the manner required by the superintendent of public instruction.

**SECTION 16. AMENDMENT.** Section 15.1-21-19 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-19. Summative assessment - Selection - Cost - Exemptions.**

1. Except as otherwise provided, each public and nonpublic school student in grade eleven shall take the ACT, including the writing test, or three WorkKeys assessments recommended by the department of career and technical education and approved by the superintendent of public instruction. The student shall determine which summative assessment to take. ~~The student's school district of residence~~ superintendent of public instruction is responsible for the cost of procuring and administering one summative assessment ~~and its administration~~ per student.
2. The student's career advisor or guidance counselor shall meet with the student to review the student's assessment results.

3. A school district superintendent or a school administrator in the case of a nonpublic school student may exempt a student from the requirements of this section if taking the test is not required by the student's individualized education program plan or if other special circumstances exist.
4. ~~If the superintendent of public instruction determines that the cost of the summative assessment and its administration can be reduced through use of a state procurement process, the superintendent shall work with the school districts to procure and arrange for the administration of the assessment and shall withhold each district's share of the total cost from any state aid otherwise payable to the district.~~ At the time and in the manner determined by the superintendent of public instruction, each school district superintendent and each school administrator in the case of a nonpublic school shall report the number of eleventh grade students who:
  - a. Took the ACT, including the writing test;
  - b. Took the three WorkKeys assessments; and
  - c. Were exempted from the requirements of this section, together with the reason for each exemption.

**SECTION 17. AMENDMENT.** Section 15.1-22-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-22-01. Kindergarten - Establishment by board - Request by parent - Levy.**

1. ~~Upon its own motion, the~~The board of a school district ~~may establish a free public kindergarten.~~
2. ~~If the board receives a written request to provide kindergarten from the parent of a student who will be enrolled in the kindergarten, the board shall either provide at least a half-day kindergarten program for the student~~any student enrolled in the district or pay the tuition required for the student to attend at least a half-day kindergarten program in another school district.
- ~~3.2.~~ The board of a school district that establishes a kindergarten under this section may levy a tax pursuant to subdivision p of subsection 1 of section 57-15-14.2.

**SECTION 18. AMENDMENT.** Section 15.1-27-03.1 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-03.1. ~~(Effective through June 30, 2011) Weighted average daily membership - Determination.~~**

1. ~~For each school district, the superintendent of public instruction shall multiply by:~~
  - a. ~~1.00 the number of full-time equivalent students enrolled in a migrant summer program;~~
  - b. ~~1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;~~

- e. ~~0.60 the number of full-time equivalent students enrolled in a summer education program;~~
- d. ~~0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;~~
- e. ~~0.30 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and are enrolled in a program of instruction for English language learners;~~
- f. ~~0.25 the number of full-time equivalent students enrolled in an alternative high school;~~
- g. ~~0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
- h. ~~0.25 the number of full-time equivalent students enrolled in an isolated high school;~~
- i. ~~0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-20-01;~~
- j. ~~0.20 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be not proficient and are enrolled in a program of instruction for English language learners;~~
- k. ~~0.17 the number of full-time equivalent students enrolled in an early childhood special education program;~~
- l. ~~0.07 the number of students enrolled in average daily membership, in order to support the provision of special education services;~~
- m. ~~0.07 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be somewhat proficient and are enrolled in a program of instruction for English language learners;~~
- n. ~~0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-00.1; and~~
- e. ~~0.002 the number of students enrolled in average daily membership, in order to support technology.~~

- 2. ~~The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.~~

**(Effective after June 30, 2011) Weighted average daily membership - Determination.**

- 1. For each school district, the superintendent of public instruction shall multiply by:

- a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;
- b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;
- c. 0.60 the number of full-time equivalent students enrolled in a summer education program;
- d. 0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;
- e. 0.30 the number of full-time equivalent students who-~~en~~:
  - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and placed in the first of six categories of proficiency; and-are
  - (2) Are enrolled in a program of instruction for English language learners;
- f. 0.25 the number of full-time equivalent students enrolled in an alternative high school;
- g. ~~0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
- h. ~~0.25 the number of full-time equivalent students enrolled in an isolated high school;~~
- i. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;
- j.h. 0.20 the number of full-time equivalent students who-~~en~~:
  - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be ~~not~~more proficient than students placed in the first of six categories of proficiency and therefore placed in the second of six categories of proficiency; and-are
  - (2) Are enrolled in a program of instruction for English language learners;
- k.i. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;
- h.j. ~~0-070.10~~ the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average daily membership and the district consists of an area greater than two hundred seventy-five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students in average daily membership must be deemed to have an enrollment equal to fifty students in average daily membership;

- k. 0.073 the number of students enrolled in average daily membership, in order to support the provision of special education services;
- m-l. 0.07 the number of full-time equivalent students who are:
  - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be somewhat more proficient and are than students placed in the second of six categories of proficiency and therefore placed in the third of six categories of proficiency;
  - (2) Are enrolled in a program of instruction for English language learners; and
  - (3) Have not been in the third of six categories of proficiency for more than three years;
- n-m. 0.025 the number of students representing that percentage of the total number of students in average daily membership which is equivalent to the three-year average percentage of students in grades three through eight who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.];
- n. 0.006 the number of students enrolled in average daily membership in each public school in the district that:
  - (1) Has acquired and is utilizing the PowerSchool student information system;
  - (2) Has acquired and is in the process of implementing the PowerSchool student information system; or
  - (3) Will acquire the PowerSchool student information system during the current school year, provided the acquisition is contractually demonstrated; and
- o. 0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; and
- p. ~~0.002 the number of students enrolled in average daily membership, in order to support technology.~~

2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.

**SECTION 19. AMENDMENT.** Section 15.1-27-03.1 of the North Dakota Century Code is amended and reenacted as follows:

**~~15.1-27-03.1. (Effective through June 30, 2011) Weighted average daily membership - Determination.~~**

- ~~1. For each school district, the superintendent of public instruction shall multiply by:~~

- a. ~~1.00 the number of full-time equivalent students enrolled in a migrant summer program;~~
  - b. ~~1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;~~
  - e. ~~0.60 the number of full-time equivalent students enrolled in a summer education program;~~
  - d. ~~0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;~~
  - e. ~~0.30 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and are enrolled in a program of instruction for English language learners;~~
  - f. ~~0.25 the number of full-time equivalent students enrolled in an alternative high school;~~
  - g. ~~0.25 the number of full-time equivalent students enrolled in an isolated elementary school;~~
  - h. ~~0.25 the number of full-time equivalent students enrolled in an isolated high school;~~
  - i. ~~0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;~~
  - j. ~~0.20 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be not proficient and are enrolled in a program of instruction for English language learners;~~
  - k. ~~0.17 the number of full-time equivalent students enrolled in an early childhood special education program;~~
  - l. ~~0.07 the number of students enrolled in average daily membership, in order to support the provision of special education services;~~
  - m. ~~0.07 the number of full-time equivalent students who on a test of English language proficiency approved by the superintendent of public instruction are determined to be somewhat proficient and are enrolled in a program of instruction for English language learners;~~
  - n. ~~0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; and~~
  - o. ~~0.002 the number of students enrolled in average daily membership, in order to support technology.~~
2. ~~The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.~~

**(Effective after June 30, 2011) Weighted average daily membership - Determination.**



1. For each school district, the superintendent of public instruction shall multiply by:
  - a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;
  - b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;
  - c. 0.60 the number of full-time equivalent students enrolled in a summer education program;
  - d. 0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;
  - e. 0.30 the number of full-time equivalent students who ~~are~~:
    - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and placed in the first of six categories of proficiency; and are
    - (2) Are enrolled in a program of instruction for English language learners;
  - f. 0.25 the number of full-time equivalent students enrolled in an alternative high school;
  - g. 0.25 the number of full-time equivalent students enrolled in an isolated elementary school;
  - h. 0.25 the number of full-time equivalent students enrolled in an isolated high school;
  - i. 0.20 the number of full-time equivalent students in grades six through eight enrolled in an alternative education program for at least an average of fifteen hours per week;
  - j. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;
  - ~~j~~.k. 0.20 the number of full-time equivalent students who ~~are~~:
    - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be ~~not~~ more proficient than students placed in the first of six categories of proficiency and therefore placed in the second of six categories of proficiency; and are
    - (2) Are enrolled in a program of instruction for English language learners;
  - ~~k~~.l. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;
  - ~~l~~.m. 0.070.10 the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average daily membership and the district consists of an

area greater than two hundred seventy-five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students in average daily membership must be deemed to have an enrollment equal to fifty students in average daily membership;

n. 0.073 the number of students enrolled in average daily membership, in order to support the provision of special education services;

m-o. 0.07 the number of full-time equivalent students who-~~en~~;

(1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be somewhat more proficient and are than students placed in the second of six categories of proficiency;

(2) Are enrolled in a program of instruction for English language learners; and

(3) Have not been in the third of six categories of proficiency for more than three years;

n-p. 0.025 the number of students representing that percentage of the total number of students in average daily membership which is equivalent to the three-year average percentage of students in grades three through eight who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.];

e-g. 0.006 the number of students enrolled in average daily membership in each public school in the district that:

(1) Has acquired and is utilizing the PowerSchool student information system;

(2) Has acquired and is in the process of implementing the PowerSchool student information system; or

(3) Will acquire the PowerSchool student information system during the current school year, provided the acquisition is contractually demonstrated; and

i. 0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; and

p. 0.002 the number of students enrolled in average daily membership, in order to support technology.

2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.

**SECTION 20. AMENDMENT.** Section 15.1-27-04 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-04. Per student payment rate.**

1. a. The per student payment rate to which each school district is entitled for the first year of the biennium is three thousand ~~twenine~~ thirty hundred dollars.
- b. The per student payment rate to which each school district is entitled for the second year of the biennium is three thousand ~~severnine~~ seventy-nine hundred ~~seventy~~ seventy dollars.
2. In order to determine the state aid payment to which each district is entitled, the superintendent of public instruction shall multiply each district's weighted student units by the per student payment rate set forth in subsection 1.

**SECTION 21. AMENDMENT.** Section 15.1-27-07.2 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-07.2. Baseline funding - Determination - Minimum and maximum allowable increases.**

1. The superintendent of public instruction shall determine each school district's baseline funding per weighted student unit by:
  - a. Adding together all state aid received by the district during the 2006-07 school year;
  - b. Subtracting the amount received by the district during the 2006-07 school year for transportation aid, special education excess cost reimbursements, special education contracts, prior year funding adjustments, and per student payments for participation in educational associations governed by joint powers agreements; and
  - c. Dividing the amount determined under subdivision b by the district's 2007-08 weighted student units.
2. a. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, for the 2009-10 school year, is at least equal to one hundred eight percent of the baseline funding per weighted student unit, as established in subsection 1.
- b. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, for each school year after the 2009-10 school year, is at least equal to one hundred twelve and one-half percent of the baseline funding per weighted student unit, as established in subsection 1.
3. a. The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, less any amount received as equity payments under section 15.1-27-11 per weighted student unit, does not exceed, for the ~~2009-10~~ 2011-12 school year, one hundred ~~twentyfour~~ twentyfour percent of the baseline funding per weighted student unit, as established in subsection 1.

- b. ~~The superintendent of public instruction shall ensure that the total amount of state aid payable to a district per weighted student unit, less any amount received as equity payments under section 15.1-27-11 per weighted student unit, does not exceed, for each school year after the 2009-10 school year, one hundred thirty-four percent of the baseline funding per weighted student unit, as established in subsection 1.~~

**SECTION 22. AMENDMENT.** Section 15.1-27-11 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-11. Equity payments.**

1. The superintendent of public instruction shall:
  - a. Divide the imputed taxable valuation of the state by the total average daily membership of all school districts in the state in order to determine the state average imputed taxable valuation per student.
  - b. Divide the imputed taxable valuation of each school district by the district's total average daily membership in order to determine each district's average imputed taxable valuation per student.
2. If a school district's imputed taxable valuation per student is less than ninety percent of the statewide imputed taxable valuation per student, the superintendent of public instruction shall calculate the valuation deficiency by:
  - a. Determining the difference between ninety percent of the state average imputed taxable valuation per student and the district's average imputed taxable valuation per student; and
  - b. Multiplying that difference by the district's total average daily membership.
3. Except as provided in subsection 4, the equity payment to which a district is entitled under this section equals the district's valuation deficiency multiplied by the lesser of:
  - a. The district's general fund levy for the taxable year 2008; or
  - b. One hundred eighty-five mills.
4.
  - a. The equity payment to which a district is entitled may not exceed the district's taxable valuation multiplied by its general fund levy for the taxable year 2008.
  - b. If a district's general fund levy for the taxable year 2008 is less than one hundred eighty-five mills, the superintendent of public instruction shall subtract the district's general fund levy for the taxable year 2008 from one hundred eighty-five mills, multiply the result by the district's taxable valuation, and subtract that result from the equity payment to which the district is otherwise entitled.
  - c. If a district's imputed taxable valuation per student is less than fifty percent of the statewide imputed taxable valuation per student, the payment to which the district is entitled under this section may not be

less than twenty percent of the statewide imputed taxable valuation per student times the school district's average daily membership, multiplied by one hundred eighty-five mills.

5. In determining the amount to which a school district is entitled under this section, the superintendent of public instruction may not include any payments received by the district as a result of Public Law No. 81-874 [64 Stat. 1100; 20 U.S.C. 236 et seq.] and may not include in the district's average daily membership students who are dependents of members of the armed forces and students who are dependents of civilian employees of the department of defense.
6. In determining the statewide average imputed taxable valuation per student for purposes of this section, the superintendent of public instruction may not include:
  - a. Any school district, which if included in the calculation would have an imputed taxable valuation per student that is three times greater than the statewide average imputed taxable valuation per student; and
  - b. Any school district, which if included in the calculation would have an imputed taxable valuation per student that is less than one-fifth of the statewide average imputed taxable valuation per student.
7. For purposes of this section:
  - a. "General fund levy" includes a district's high school transportation levy and its high school tuition levy.
  - b. "Imputed taxable valuation" means the valuation of all taxable real property in the district plus:
    - (1) An amount determined by dividing seventy percent of the district's mineral and tuition revenue, revenue from payments in lieu of property taxes on distribution and transmission of electric power, revenue from payments in lieu of taxes from electricity generated from sources other than coal, and revenue received on account of the leasing of lands acquired by the United States for flood control, navigation, and allied purposes in accordance with 33 U.S.C. 701c-3 by the district's general fund mill levy for the taxable year 2008; and
    - (2) An amount determined by dividing the district's revenue from mobile home taxes and telecommunications taxes by the district's general fund mill levy for the taxable year 2008.
  - c. "Mineral revenue" includes all revenue from county sources reported under code 2000 of the North Dakota school district financial accounting and reporting manual as developed by the superintendent of public instruction in accordance with section 15.1-02-08.
  - d. "Tuition revenue" includes all revenue reported under code 1300 of the North Dakota school district financial accounting and reporting manual as developed by the superintendent of public instruction in accordance with section 15.1-02-08. "Tuition revenue" does not

include tuition income received specifically for the operation of an educational program provided at a residential treatment facility.

**SECTION 23. AMENDMENT.** Section 15.1-27-35.3 of the North Dakota Century Code is amended and reenacted as follows:

**~~15.1-27-35.3. (Effective through June 30, 2011) Payments to school districts - Unobligated general fund balance - Report to legislative council.~~**

- ~~1. The superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of fifty percent of its actual expenditures, plus twenty thousand dollars. Beginning July 1, 2008, the superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty five percent of its actual expenditures, plus twenty thousand dollars.~~
- ~~2. In making the determination required by subsection 1, the superintendent of public instruction may not include in a district's unobligated general fund balance any moneys that:
  - ~~a. (1) Were received by the district during the school year ending June 30, 2009, on account of the leasing of lands acquired by the United States for flood control, navigation, and allied purposes in accordance with 33 U.S.C. 701c-3; and~~
  - ~~(2) Exceeded the amount received by the district during the school year ending June 30, 2008, for the purpose stated in paragraph 1;~~
  - ~~b. Were received directly by the district from the United States government in accordance with the American Recovery and Reinvestment Act of 2009; or~~
  - ~~c. Were received by the district as supplemental one-time grants under section 52 of S.L. 2009, ch. 175.~~~~
- ~~3. Any district having more than fifty thousand dollars excluded in the determination of its ending fund balance, as required by subsection 2, shall provide a report to the legislative council. The report, which must be presented at the time and in the manner directed by the legislative council, must address how the money was expended, including the number of mills by which the district was able to decrease its property taxes, if such was a permitted use.~~

**~~(Effective after June 30, 2011) Payments to school districts - Unobligated general fund balance.~~**

- ~~1. The superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of fifty percent of its actual expenditures, plus twenty thousand dollars. Beginning July 1, 2008, the superintendent of~~

~~public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty-five percent of its actual expenditures, plus twenty thousand dollars.~~

2. In making the determination required by subsection 1, the superintendent of public instruction may not include in a district's unobligated general fund balance any moneys that were received by the district from the federal education jobs fund program.

**SECTION 24.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Supplemental teacher-effectiveness compensation plan.**

1. A representative organization authorized by a negotiating unit, as defined in subdivision b of subsection 2 of section 15.1-16-01, and the board of a school district may agree to pursue a supplemental teacher-effectiveness compensation plan for teachers in the negotiating unit.
2. The negotiating unit may include:
  - a. All teachers employed by the board to teach in the school district; or
  - b. All teachers employed by the board to teach at a particular school in the district.
3. For purposes of this section and the implementation of the supplemental teacher-effectiveness compensation plan, "teacher" means an individual defined in subdivision b of subsection 6 of section 15.1-02-13.

**SECTION 25.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Supplemental teacher-effectiveness compensation plan - Development committee - Membership.**

1. Upon agreeing to pursue a supplemental teacher-effectiveness compensation plan, the board of the school district and the representative organization shall form a committee to develop the plan. The membership of the committee must be agreed upon by the board of the school district and the representative organization.
2. At the initial meeting of the committee, the members shall establish rules of operation and procedure.
3. The committee formed under this section is a public entity for purposes of chapter 44-04.

**SECTION 26.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Supplemental teacher-effectiveness compensation plan - Required content.**

1. A supplemental teacher-effectiveness compensation plan developed under this section must:
  - a. Include only matters of compensation and may not include other terms or conditions of employment normally negotiated under chapter 15.1-16;
  - b. Provide for a determination of compensation that takes into account:
    - (1) Whether the school district has had difficulty filling a particular position with a suitable and highly qualified teacher;
    - (2) Whether a teacher has advanced academic degrees or special skills and knowledge beyond those minimally required for a position;
    - (3) Whether a teacher has pursued certified professional development activities beyond those minimally required for a position;
    - (4) Whether a teacher has assumed responsibilities that are beyond those minimally required for a position; and
    - (5) Various measures of student growth, including academic growth;
  - c. Include a rigorous and objective system of teacher evaluation that equitably links an individual's performance to the opportunity for additional compensation; and
  - d. Ensure that no teacher subject to the plan will receive less total compensation than that teacher was eligible to receive under the last contract negotiated under chapter 15.1-16.
2. A supplemental teacher-effectiveness compensation plan is not subject to a declaration of impasse under chapter 15.1-16.

**SECTION 27.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Supplemental teacher-effectiveness compensation plan - Review panel - Duties.**

1. Upon agreeing to a supplemental teacher-effectiveness compensation plan, the plan development committee shall forward the plan to a panel consisting of:
  - a. Two employees of the department of public instruction, selected by the superintendent of public instruction;
  - b. Two individuals appointed by the North Dakota council of educational leaders;
  - c. Two individuals appointed by the North Dakota education association; and





expenses it has incurred in administering the supplemental teacher-effectiveness compensation plan.

**SECTION 30.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Supplemental teacher-effectiveness compensation plan - Review panel - Additional duties.**

In addition to the duties set forth in section 27 of this Act, the review panel shall:

1. Develop and distribute guidelines pertaining to the creation of supplemental teacher-effectiveness compensation plans;
2. Upon request meet with and advise plan development committees pursuing the creation of supplemental teacher-effectiveness compensation plans; and
3. Provide advice to the superintendent of public instruction regarding the hiring of any employees or the selection of any contractors whose duties will be related to supplemental teacher-effectiveness compensation.

**SECTION 31.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Annual report - Required content.**

1. Any school district that receives state moneys to implement a supplemental teacher-effectiveness compensation plan shall file an annual report with the superintendent of public instruction, at the time and in the manner directed by the superintendent. The report must address whether the plan has:
  - a. Alleviated difficulty filling particular positions with suitable and highly qualified teachers;
  - b. Encouraged teachers to pursue advanced academic degrees or acquire special skills and knowledge beyond those minimally required for a position;
  - c. Encouraged teachers to pursue certified professional development activities beyond those minimally required for a position;
  - d. Encouraged teachers to assume additional responsibilities that are beyond those minimally required for a position; and
  - e. Resulted in measurable student growth, including academic growth.
2. The report also must include suggestions for modifications to the plan, if appropriate.
3. The representative organization shall indicate in writing its agreement with the report and the suggestions for modifications, as submitted by the school district in accordance with this section, or provide to the superintendent of public instruction a separate report together with any suggestions for modifications.

4. If the school district and the representative organization agree to recommend continuation of the plan, with or without modification, the report must contain a request for continued funding.
5. The superintendent of public instruction shall provide copies of the report to the plan review panel established by section 27 of this Act.

**SECTION 32.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Existing contracts - Terms - Effect.**

1. The terms of any contract entered before July 1, 2011, between the board of a school district and a representative organization in accordance with chapter 15.1-16, remain in force and effect for the duration of the contract.
2. A supplemental teacher-effectiveness compensation plan authorized by this Act may take effect on July 1, 2012.

**SECTION 33.** A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Plan review panel - Reimbursement for expenses.**

Each member of the supplemental teacher-effectiveness compensation plan review panel is entitled to receive reimbursement for expenses as provided by law for state officials if the member is attending meetings or performing duties directed by the panel.

**SECTION 34. AMENDMENT.** Section 15.1-36-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-36-02. School construction projects - Loans.**

1. The board of university and school lands may authorize the use of moneys in the coal development trust fund established pursuant to section 21 of article X of the Constitution of North Dakota and subsection 1 of section 57-62-02 to provide school construction loans, as described in this chapter. The outstanding principal balance of loans under this chapter may not exceed fifty million dollars. The board may adopt policies and rules governing school construction loans.
2. In order to be eligible for a loan under this section, the board of a school district shall:
  - a. Propose a construction project with a cost of at least one million dollars and an expected utilization of at least thirty years;
  - b. Obtain the approval of the superintendent of public instruction for the construction project under section 15.1-36-01; and
  - c. Submit to the superintendent of public instruction an application containing all information deemed necessary by the superintendent, including potential alternative sources or methods of financing the construction project.

3. The superintendent of public instruction shall give priority to any district that meets the requirements for receipt of an equity payment under section 15.1-27-11.
4. If an eligible school district's imputed taxable valuation per student is less than eighty percent of the state average imputed valuation per student, the district is entitled to receive:
  - a. A school construction loan equal to the lesser of ~~eight~~twelve million dollars or eighty percent of the actual project cost;
  - b. An interest rate discount equal to at least ~~fifty~~one hundred but not more than two hundred fifty basis points below the prevailing tax-free bond rates; and
  - c. A term of repayment that may extend up to twenty years.
5. If an eligible school district's imputed taxable valuation per student is equal to at least eighty percent but less than ninety percent of the state average imputed taxable valuation per student, the district is entitled to receive:
  - a. A school construction loan equal to the lesser of ~~seventen~~ million dollars or seventy percent of the actual project cost;
  - b. An interest rate buydown equal to at least ~~fifty~~one hundred but not more than two hundred fifty basis points below the prevailing tax-free bond rates; and
  - c. A term of repayment that may extend up to twenty years.
6. If an eligible school district's imputed taxable valuation per student is equal to at least ninety percent of the state average imputed taxable valuation per student, the district is entitled to receive:
  - a. A school construction loan equal to the lesser of ~~twefour~~four million-five hundred thousand dollars or thirty percent of the actual project cost;
  - b. An interest rate discount equal to at least ~~fifty~~one hundred but not more than two hundred fifty basis points below the prevailing tax-free bond rates; and
  - c. A term of repayment that may extend up to twenty years.
7. The board of a school district may submit its loan application to the superintendent of public instruction before or after receiving authorization of a bond issue in accordance with chapter 21-03. If the vote to authorize a bond issue precedes the application for a loan, the application must be acted upon by the superintendent expeditiously but no later than one hundred eighty days from the date it is received by the superintendent.
8. The superintendent of public instruction shall consider each loan application in the order it received approval under section 15.1-36-01.
9. If the superintendent of public instruction approves the loan, the superintendent may determine the loan amount, the term of the loan, and the interest rate, in accordance with the requirements of this section.

10. The superintendent of public instruction may adopt rules governing school construction loans.
11. For purposes of this section, a construction project means the purchase, lease, erection, or improvement of any structure or facility by a school board, provided the acquisition or activity is within a school board's authority.

**SECTION 35. AMENDMENT.** Section 15.1-37-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-37-01. Early childhood education program - Approval.**

1. Any person or school district operating an early childhood education program may request approval of the program from the superintendent of public instruction. The superintendent shall approve an early childhood education program if the program:
  - 1-a. Is taught by individuals who are licensed to teach in early childhood education by the education standards and practices board;
  - 2-b. Follows a developmentally appropriate curriculum; ~~and~~
  - 3-c. Is in compliance with all municipal and state health, fire, and safety requirements; and
  - d. Limits its enrollment to children who have reached the age of four before August first in the year of enrollment.
2. ~~Per student funding will not be provided to individuals or school districts offering a prekindergarten.~~ In determining the state aid payments to which a school district is entitled, the superintendent of public instruction may not count any student enrolled in a regular early childhood education program.

**SECTION 36. AMENDMENT.** Subsection 1 of section 15.1-37-02 of the North Dakota Century Code is amended and reenacted as follows:

1. The North Dakota early childhood education council consists of:
  - a. A chairman appointed by the governor;
  - b. The superintendent of public instruction, or the superintendent's designee;
  - c. The state health officer, or the officer's designee;
  - d. The director of the department of human services, or the director's designee;
  - e. The North Dakota head start - state collaboration administrator, or the administrator's designee;
  - f. The commissioner of higher education, or the commissioner's designee;
  - g. The commissioner of commerce, or the commissioner's designee;

- h. The chairman of the senate education committee, or the chairman's designee;
- h.i. The chairman of the house of representatives education committee, or the chairman's designee; and
- i.j. The following gubernatorial appointees:
  - (1) The superintendent of a school district having at least one thousand students in average daily membership;
  - (2) The superintendent of a school district having fewer than one thousand students in average daily membership;
  - (3) The superintendent of a school district headquartered on a reservation or including reservation land within its boundaries;
  - (4) ~~The principal of a school district;~~
  - (5) ~~An individual employed as an elementary school teacher;~~
  - (6) An individual representing a non-religious-based provider of presecheearly childhood education;
  - (7)(5) An individual representing a religious-based provider of presecheearly childhood education;
  - (8)(6) An individual representing a center-based licensed child care provider;
  - (9)(7) An individual representing a home-based licensed child care provider;
  - (10)(8) An individual representing a reservation-based head start program;
  - (11)(9) An elected member of a school board;
  - (12)(10) The parent of a child not yet enrolled in elementary school; ~~and~~
  - (13)(11) The parent of a child with special needsdisabilities not yet enrolled in elementary school; ~~and~~
  - (12) An individual representing children with disabilities.

**SECTION 37. AMENDMENT.** Section 15.1-37-03 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-37-03. Council - Duties.**

The council shall:

1. Review the deliveryavailability and provision of early childhood education, care, and services in this state;
2. ~~Conduct a needs assessment;~~
3. ~~Review early childhood education standards and propose revisions to the standards as needed;~~

4. Review/identify opportunities for public and private sector collaboration in the delivery/provision of early childhood education, care, and services in this state;
5. Develop a comprehensive plan governing the delivery of early childhood education in this state; and
- 6-3. Identify ways to assist with the recruitment and retention of individuals interested in working as providers of early childhood education, care, and services, including training and continuing education or professional development opportunities;
4. Seek the advice and guidance of individuals who are uniquely familiar with the nature, scope, and associated challenges of providing early childhood education, care, and services in geographically and socioeconomically diverse settings, and develop recommendations pertaining to the short-term and longer-term improvement and expansion of early childhood education, care, and services in this state; and
5. Provide a biennial report regarding its activities/findings and recommendations to the governor and the legislative council/assembly.

**SECTION 38. AMENDMENT.** Section 57-15-14 of the North Dakota Century Code is amended and reenacted as follows:

**57-15-14. General fund levy limitations in school districts.**

The aggregate amount levied each year for the purposes listed in section 57-15-14.2 by any school district, except the Fargo school district, may not exceed the amount in dollars which the school district levied for the prior school year plus twelve percent up to a general fund levy of one hundred eighty-five mills on the dollar of the taxable valuation of the district, except that:

1. In any school district having a total population in excess of four thousand according to the last federal decennial census there may be levied any specific number of mills that upon resolution of the school board has been submitted to and approved by a majority of the qualified electors voting upon the question at any regular or special school district election.
2. In any school district having a total population of fewer than four thousand, there may be levied any specific number of mills that upon resolution of the school board has been approved by fifty-five percent of the qualified electors voting upon the question at any regular or special school election.
3. After June 30, 2009, in any school district election for approval by electors of increased levy authority under subsection 1 or 2, the ballot must specify the number of mills proposed for approval, and the number of taxable years for which that approval is to apply. After June 30, 2009, approval by electors of increased levy authority under subsection 1 or 2 may not be effective for more than ten taxable years.
4. The authority for a levy of up to a specific number of mills under this section approved by electors of a school district before July 1, 2009, is terminated effective for taxable years after 2015. If the electors of a school district subject to this subsection have not approved a levy for taxable

years after 2015 of up to a specific number of mills under this section by December 31, 2015, the school district levy limitation for subsequent years is subject to the limitations under section 57-15-01.1 or this section.

5. The authority for an unlimited levy approved by electors of a school district before July 1, 2009, is terminated effective for taxable years after 2015. If the electors of a school district subject to this subsection have not approved a levy of up to a specific number of mills under this section by December 31, 2015, the school district levy limitation for subsequent years is subject to the limitations under section 57-15-01.1 or this section.
6. A school district that experiences a rapidly increasing taxable valuation may levy, for the taxable year of the rapidly increasing taxable valuation and the next taxable year, the amount in dollars which the school district levied for the prior school year plus eighteen percent, up to a general fund levy of one hundred eighty-five mills on the dollar of the taxable valuation of the district. For purposes of this subsection, "rapidly increasing taxable valuation" means an increase of twenty percent or more in taxable valuation from the immediately preceding taxable year.

The question of authorizing or discontinuing such specific number of mills authority in any school district must be submitted to the qualified electors at the next regular election upon resolution of the school board or upon the filing with the school board of a petition containing the signatures of qualified electors of the district equal in number to ten percent of the number of electors who cast votes in the most recent election in the school district. However, not fewer than twenty-five signatures are required. However, the approval of discontinuing such authority does not affect the tax levy in the calendar year in which the election is held. The election must be held in the same manner and subject to the same conditions as provided in this section for the first election upon the question of authorizing the mill levy.

#### **SECTION 39. ISOLATED SCHOOLS - TRANSITION PAYMENTS.**

1. If during the 2010-11 school year a school district received payments as a result of section 15.1-27-15, as the section existed on June 30, 2011, and if that district is not eligible for the factor established under subdivision j of subsection 1 of section 15.1-27-03.1, the district is entitled to the following transition payments:
  - a. For the 2011-12 school year, an amount equal to that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011;
  - b. For the 2012-13 school year, an amount equal to seventy-five percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011;
  - c. For the 2013-14 school year, an amount equal to fifty percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011; and
  - d. For the 2014-15 school year, an amount equal to twenty-five percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011.



- d. For the 2014-15 school year, an amount equal to twenty-five percent of that which the district would have received under section 15.1-27-15, as the section existed on June 30, 2011.
2. Upon the closure of a school that met the definition of isolated under section 15.1-27-15, as it existed on June 30, 2011, the superintendent of public instruction shall cease to provide to the district the transition payments established under subsection 1.

#### **SECTION 40. TRANSPORTATION GRANTS - DISTRIBUTION.**

1. During each year of the 2011-13 biennium, the superintendent of public instruction shall calculate the payment to which each school district is entitled based on the state transportation formula as it existed on June 30, 2001, except that the superintendent shall provide reimbursement at the rate of:
  - a. One dollar and three cents per mile for schoolbuses having a capacity of ten or more passengers;
  - b. Forty-six cents per mile for vehicles having a capacity of nine or fewer passengers;
  - c. Forty-six cents per mile, provided:
    - (1) The student being transported is a student with a disability, as defined in chapter 15.1-32;
    - (2) The student's individualized education program plan requires that the student attend a public or a nonpublic school located outside the student's school district of residence;
    - (3) The student is transported by an adult member of the student's family;
    - (4) The student is transported in a vehicle furnished by the student's parents;
    - (5) The student's transportation is paid for by the student's parents; and
    - (6) The reimbursement does not exceed two round trips daily between the student's home and school.
  - d. Forty-six cents per mile, one way, provided:
    - (1) The student being transported resides more than two miles from the public school that the student attends;
    - (2) The student is transported by an adult member of the student's family;
    - (3) The student is transported in a vehicle furnished by the student's parents; and
    - (4) The student's transportation is paid for by the student's parents; and
  - e. Twenty-six cents per student for each one-way trip.

2. The superintendent of public instruction shall use the latest available student enrollment count in each school district in applying the provisions of subsection 1.
3. If any moneys provided for transportation payments in the grants transportation line item in the appropriation bill for the superintendent of public instruction, as approved by the sixty-second legislative assembly, remain after application of the formula provided for in this section, the superintendent of public instruction shall prorate the remaining amounts according to the percentage of the total transportation formula amount to which each school district is entitled.
4. This section does not authorize the reimbursement of any costs incurred in providing transportation for student attendance at extracurricular activities or events.

**SECTION 41. SCHOOL DISTRICT RAPID ENROLLMENT GROWTH - GRANT.** During the 2011-13 biennium, the superintendent of public instruction shall expend up to \$5,000,000 from the grants - state school aid line item in the appropriation bill for the superintendent of public instruction, as approved by the sixty-second legislative assembly, for the purpose of providing a grant to any school district that can demonstrate rapid enrollment growth in accordance with this section.

1. If the number of full-time equivalent students enrolled in a school district has increased by at least three percent annually and if that increase is equal to at least twenty-five full-time equivalent students, as demonstrated by the district's September tenth fall enrollment report, the district is entitled to receive a grant equal to thirty percent of the per student payment provided for in section 15.1-27-04 multiplied by the actual increase in its full-time equivalent student enrollment.
2. If the number of full-time equivalent students enrolled in a school district has increased by at least seven percent annually and if that increase is equal to at least twenty-five full-time equivalent students, as demonstrated by the district's September tenth fall enrollment report, the district is entitled to receive a grant equal to seventy percent of the per student payment provided for in section 15.1-27-04 multiplied by the actual increase in its full-time equivalent student enrollment.
3. If the number of full-time equivalent students enrolled in a school district has increased by at least thirteen percent annually and if that increase is equal to at least twenty-five full-time equivalent students, as demonstrated by the district's September tenth fall enrollment report, the district is entitled to receive a grant equal to the per student payment provided for in section 15.1-27-04 multiplied by the actual increase in its full-time equivalent student enrollment.
4. If the amount of the expenditure provided for in this section is insufficient to meet the obligations of this section, the superintendent of public instruction shall prorate the payment based on the percentage of the total amount to which each school district is entitled.
5. A district may not receive more than \$800,000 annually in accordance with this section.

**SECTION 42. USE OF NEW MONEY - TEACHER COMPENSATION INCREASES - REPORTS TO THE LEGISLATIVE MANAGEMENT.**

1. During the 2011-13 biennium, the board of each school district shall use an amount equal to at least seventy percent of all new money received by the district for per student payments to increase the compensation paid to teachers and to provide compensation to teachers who begin employment with the district on or after July 1, 2011.
2. For purposes of this section, the superintendent of public instruction shall calculate the amount of new money received by a district during the 2011-13 biennium by:
  - a. Determining the total amount of state dollars received by each district during the 2009-11 biennium as per student payments, provided that equity payments, transportation payments, contingency distributions, mill levy reduction payments, and technology support payments are not to be included in the total;
  - b. Determining the total amount of state dollars received by each district during the 2011-13 biennium as per student payments, provided that the following are not to be included in the total:
    - (1) Contingent distributions;
    - (2) Cross-border attendance moneys;
    - (3) Deferred maintenance and physical plant improvements grants;
    - (4) Equity payments;
    - (5) Federal education jobs funds program moneys;
    - (6) Home-based education program monitoring moneys;
    - (7) Mill levy reduction payments;
    - (8) PowerSchool acquisition, implementation, and utilization moneys;
    - (9) Regional education association moneys and grants; and
    - (10) Transportation payments; and
  - c. Subtracting the amount arrived at under subdivision a from the amount arrived at under subdivision b.
3. School districts providing educational services under a cooperative agreement approved by the superintendent of public instruction must, for purposes of this section, be treated as a single district.
4. a. This section does not apply to a school district if the board of the school district, after a public hearing at which public testimony and documentary evidence are accepted, determines in its discretion and by an affirmative vote of two-thirds of the members of the board that complying with subsection 1 would place the school district in the position of having insufficient fiscal resources to meet the school district's other obligations.

- b. Within ten days of the vote required by subdivision a, the school board shall notify the superintendent of public instruction of its action and shall file a report detailing the grounds for its determination and action.
- c. The superintendent of public instruction shall report all notices received under this subsection to the legislative management.

**SECTION 43. CONTINGENT MONEY.** If any money appropriated to the superintendent of public instruction for state aid payments to school districts remains after the superintendent complies with all statutory payment obligations imposed for the biennium beginning July 1, 2011, and ending June 30, 2013, the superintendent shall use the remaining moneys to provide additional per student payments on a prorated basis according to the latest available average daily membership of each school district.

**SECTION 44. CONTINGENT TRANSFER BY BANK OF NORTH DAKOTA FOR SPECIAL EDUCATION.** If during the biennium beginning July 1, 2011, and ending June 30, 2013, the superintendent of public instruction determines that, using all available sources, there are insufficient funds with which to fully reimburse school districts for the excess costs of serving the one percent of special education students statewide who require the greatest school district expenditures in order to be provided with special education and related services, the industrial commission shall transfer from the earnings and accumulated and undivided profits of the Bank of North Dakota the amount the superintendent of public instruction certifies is necessary to provide the statutorily required level of reimbursement. The superintendent of public instruction shall file for introduction legislation requesting that the sixty-third legislative assembly return any amount transferred under this section to the Bank of North Dakota.

**SECTION 45. LEGISLATIVE MANAGEMENT STUDY - ADULT EDUCATION.** During the 2011-12 interim, the legislative management shall consider studying the provision and funding of adult education. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-third legislative assembly.

**SECTION 46. EDUCATION FUNDING AND TAXATION COMMITTEE - STUDY.**

1. The education funding and taxation committee consists of:
  - a. The following nine voting members:
    - (1) The chairman of the house education committee, or the chairman's designee;
    - (2) The chairman of the house finance and taxation committee, or the chairman's designee;
    - (3) The chairman of the senate education committee, or the chairman's designee;
    - (4) The chairman of the senate finance and taxation committee, or the chairman's designee; and
    - (5) Five legislators appointed by the chairman of the legislative management; and
  - b. The following five nonvoting members:

- (1) The tax commissioner or the commissioner's designee;
  - (2) The superintendent of public instruction or the superintendent's designee;
  - (3) A representative of the governor, selected by the governor; and
  - (4) Two school district business managers, appointed by the chairman of the legislative management.
2. The chairman of the legislative management shall select one from among the voting members to serve as the chairman of the committee.
  3. The committee is subject to the same statutes and rules of operation and procedure as other legislative management interim committees.
  4. The committee shall examine short-term and longer-term state and local involvement in funding elementary and secondary education. The committee shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the legislative management.

**SECTION 47. SUPPLEMENTAL TEACHER-EFFECTIVENESS COMPENSATION PLANS - EXEMPTION - CARRYOVER AUTHORITY.** Section 54-44.1-11 does not apply to any moneys included in the grants - state school aid line item in the appropriation bill for the superintendent of public instruction, as approved by the sixty-second legislative assembly, for the purpose of funding supplemental teacher-effectiveness compensation plans during the 2011-13 biennium. Any moneys not expended by June 30, 2013, must be continued and expended only for the purpose of funding supplemental teacher-effectiveness compensation plans during the biennium beginning July 1, 2013, and ending June 30, 2015.

**SECTION 48. REPEAL.** Section 6 of this Act and sections 15.1-18.2-01, 15.1-18.2-02, and 15.1-18.2-03 of the North Dakota Century Code are repealed.

**SECTION 49. REPEAL.** Section 15.1-27-15 of the North Dakota Century Code is repealed.

**SECTION 50. EFFECTIVE DATE.** Sections 19 and 48 of this Act become effective on July 1, 2013.

**SECTION 51. EXPIRATION DATE.** Sections 24 through 33 of this Act are effective through June 30, 2013, and after that date are ineffective."

Renumber accordingly

**School Construction Loan Program  
Loan Balances and Payments - FY '11  
As of Decemehr 31, 2010**

School District	Date Funded	Interest Rate	Final Payment	Principal Outstanding 6/30/2010	Loans Funded FY '11	Principal Outstanding 6/30/2011
Mt. Pleasant #4	9/20/94	1.88%	6/1/14	\$ 222,772.28		\$ 222,772.28
Central Cass #17	4/17/95	1.00%	6/1/14	\$ 533,646.25		\$ 533,646.25
Ellendale #40	5/17/96	2.46%	6/1/16	\$ 412,387.73		\$ 412,387.73
Wahpeton #37	6/6/96	3.00%	6/1/16	\$ 291,296.29		\$ 291,296.29
Mandan #1	8/29/96	3.00%	6/1/16	\$ 436,944.42		\$ 436,944.42
Enderlin #22	10/1/96	1.66%	6/1/16	\$ 318,803.60		\$ 318,803.60
Bismarck #1	8/20/97	2.96%	6/1/17	\$ 1,044,638.51		\$ 1,044,638.51
Grand Forks #1	9/2/97	1.00%	6/1/17	\$ 367,489.59		\$ 367,489.59
Grand Forks #1	9/2/97	1.00%	6/1/17	\$ 1,089,026.75		\$ 1,089,026.75
Hazleton/Moffit #	11/26/97	2.78%	6/1/17	\$ 177,901.75		\$ 177,901.75
United #7	3/17/98	1.00%	6/1/18	\$ 647,265.29		\$ 647,265.29
Northern Cass #97	5/1/98	1.29%	6/1/18	\$ 1,127,223.67		\$ 1,127,223.67
Grafton #3	6/1/98	1.00%	6/1/18	\$ 1,060,050.33		\$ 1,060,050.33
Park River #78	6/15/98	2.58%	6/1/18	\$ 401,809.41		\$ 401,809.41
Grand Forks #1	7/1/98	2.58%	6/1/18	\$ 301,587.98		\$ 301,587.98
Pembina	9/1/98	1.94%	6/1/18	\$ 357,253.30		\$ 357,253.30
Grand Forks #1	8/17/99	2.58%	6/1/18	\$ 503,093.39		\$ 503,093.39
Valley City #2	10/6/99	3.91%	6/1/19	\$ 392,390.12		\$ 392,390.12
Richland #44	5/24/00	2.57%	6/1/20	\$ 430,771.51		\$ 430,771.51
Bismarck #1	7/2/01	2.45%	6/1/21	\$ 1,005,078.78		\$ 1,005,078.78
St Johns #3	12/17/01	1.00%	6/1/21	\$ 114,905.07		\$ 114,905.07
West Fargo #6	5/15/02	1.00%	6/1/22	\$ 1,559,259.15		\$ 1,559,259.15
Jamestown #1	6/3/02	1.00%	6/1/22	\$ 1,559,259.15		\$ 1,559,259.15
Hillsboro #9	9/5/02	3.28%	6/1/22	\$ 506,378.14		\$ 506,378.14
Lisbon #19	9/18/02	3.28%	6/1/22	\$ 235,634.62		\$ 235,634.62
Milnor #2	10/1/02	3.28%	6/1/22	\$ 151,913.45		\$ 151,913.45
Bismarck #1	5/22/03	3.10%	6/1/23	\$ 492,489.03		\$ 492,489.03
Central Valley #3	7/1/03	3.10%	6/1/23	\$ 229,398.08		\$ 229,398.08
Griggs Co. Central #18	8/1/03	2.48%	6/1/23	\$ 654,834.79		\$ 654,834.79
New Salem #7	8/4/03	3.28%	6/1/13	\$ 10,036.58		\$ 10,036.58
Valley City #2	9/24/03	1.86%	6/1/23	\$ 849,990.17		\$ 849,990.17
Mandan #1	12/22/04	2.35%	6/1/14	\$ 107,014.80		\$ 107,014.80
West Fargo #6	5/9/05	1.00%	6/1/25	\$ 1,920,840.62		\$ 1,920,840.62
Oakes #41	6/15/05	2.09%	6/1/15	\$ 57,841.59		\$ 57,841.59
Mandan #1	4/20/06	2.32%	6/1/16	\$ 1,045,971.39		\$ 1,045,971.39
Hankinson	6/1/06	1.72%	6/1/26	\$ 950,263.18		\$ 950,263.18
Lidgerwood #28	6/1/06	2.74%	6/1/21	\$ 165,514.33		\$ 165,514.33
Carrington PSD #49	12/1/06	2.76%	6/1/26	\$ 801,435.51		\$ 801,435.51
Stanley PSD	3/22/07	2.57%	6/1/27	\$ 704,288.90		\$ 704,288.90
Wahpeton #37	6/27/07	2.40%	6/1/17	\$ 289,793.90		\$ 289,793.90
Thompson #61	6/2/08	4.37%	6/1/28	\$ 840,566.45		\$ 840,566.45
Jamestown PSD	10/1/08	3.34%	6/1/28	\$ 879,197.07		\$ 879,197.07
Northwood #129	10/1/08	1.41%	6/1/24	\$ 347,677.12		\$ 347,677.12
Northwood #129	10/1/08	3.77%	6/1/28	\$ 1,580,866.51		\$ 1,580,866.51
Mandan #1	4/23/09	3.27%	6/1/24	\$ 1,927,733.18		\$ 1,927,733.18

Principal Out. - 6/30/10

\$ 29,104,533.73

Loans Funded - FY '11

\$

Total Principal Outstanding

\$ 29,104,533.73

CC #

#1 SB-  
250

**Coleman, Jerry A.**

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**From:** Coleman, Jerry A.  
**Date:** Friday, April 15, 2011 3:24 PM  
**To:** Coleman, Jerry A.  
**Subject:** RE: 70% Language in SB 2150.

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**From:** Coleman, Jerry A.  
**Sent:** Sunday, February 13, 2011 3:14 PM  
**To:** 'Lemer Mark'  
**Cc:** Thomas, L. Anita  
**Subject:** RE: 70% Language in SB 2150

The section needs help. Because we are dealing with per student payments we should reference that line item only, e.g., "Grants-State school aid" in SB2013.  
This could be addressed in conference committee as a clean-up item.

My suggestion (the style used in last year's HB1400) \_\_\_\_\_

2. For purposes of this section, the superintendent of public instruction shall calculate the amount of new money received by a district during the 2011-13 biennium by:
- a. Determining the total amount of state dollars in the 2011-13 biennium grants – state school aid line item, as approved by the sixty-second legislative assembly, and subtracting from that amount:
    - a. Equity payments under section 15.1-27-11;
    - b. Payments to school districts participating in regional education associations under section 15.1-27-03.1;
    - c. Payments to school districts for student information systems under section 15.1-27-03.1;
    - d. Contingent distributions.
  - b. Determining the total amount of dollars in the 2009-11 biennium grants – state school aid and grants – supplemental operations line items, as approved by the sixty-first legislative assembly, and subtracting from that amount:
    - a. Equity payments under section 15.1-27-11;
    - b. Payments to school districts participating in regional education associations under section 15.1-27-03.1;
    - c. Payments to school districts for technology support under section 15.1-27-03.1 (effective in 2011-13);
    - d. Contingent distributions.
  - c. Subtracting the amount arrived at under subdivision b from the amount arrived at under subdivision a.

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**From:** Lemer Mark [<mailto:LEMER@west-fargo.k12.nd.us>]  
**Sent:** Friday, February 11, 2011 12:15 PM  
**To:** Coleman, Jerry A.  
**Subject:** 70% Language in SB 2150

Jerry:

Is there a reason that the payments for REA's made during 2009-2011 are not listed in the "exclusion" list, but are included in the "exclusion" list for 2011-2013?

**Mark Lemer**  
Business Manager  
West Fargo Schools  
1001 Main Ave W | West Fargo ND 58078  
P: 701-499-1004 | F: 701-356-2009

#2 SB2150  
CC #3

**Flakoll, Tim**

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**From:** Wipf, Peggy [peggy.wipf@ndus.edu]  
**Sent:** Tuesday, March 29, 2011 7:21 AM  
**To:** Flakoll, Tim  
**Cc:** Wipf, Peggy A.; Glatt, Laura J.  
**Subject:** Academic and/or CTE Scholarship Question

Senator Flakoll:

Of the first cohort (fall 2010) ND Academic and/or Career and Technical Education scholarship recipients, approximately 77 percent carried 15 or more credits their first semester and 23 percent carried between 12 and 14 credits.

Peggy



Peggy

Wipf

Director of Financial Aid and Federal Relations Coordinator

North Dakota University System  
600 E Boulevard Ave, Dept 215  
Bismarck ND 58505-0230  
Ph: 701.328.4114 Fax: 701.328.2961  
Email: [peggy.wipf@ndus.edu](mailto:peggy.wipf@ndus.edu)  
Web: [ndus.edu](http://ndus.edu)

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**From:** Flakoll, Tim [mailto:tflakoll@nd.gov]  
**Sent:** Monday, March 28, 2011 3:45 PM  
**To:** Wipf, Peggy  
**Subject:** Question

Do we know what percent of full time students are taking between 12-14 credits and what percent is taking 15 or more?

**Senator Tim Flakoll**

**District 44**

**Senate Agriculture - Chair**

**Senate Education**

**Interim Higher Education committee - Vice-chair**

**1350 Second Street North**

**Fargo, ND 58102**

SB2150  
#3/cc#3



April 18, 2011

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2150

That the House recede from its amendments as printed on pages 1408-1442 of the Senate Journal and pages 1229-1268 of the House Journal and that Reengrossed Senate Bill No. 2150 be amended as follows:

Page 1, line 2, remove "and"

Page 1, line 2, after "15.1-21" insert ", and a new section to chapter 15.1-27"

Page 1, line 4, remove "and"

Page 1, line 4, after "scholarships" insert ", and weighting factors"

Page 26, after line 29, insert:

"SECTION 22. A new section to chapter 15.1-27 of the North Dakota Century Code is created and enacted as follows:

**Weighted average daily membership - Determination - Additional factors.**

In addition to the factors set forth in section 15.1-27-03.1, beginning with the 2013-14 school year, the superintendent of public instruction shall multiply by .15 the number of full-time equivalent students in grades six through eight who are enrolled in an alternative education program for at least an average of fifteen hours per week."

Renumber accordingly

(#4)



Freeborg

## Human Development and Family Science

### Gearing Up for Kindergarten

Gearing Up for Kindergarten is a school readiness and parent involvement opportunity for parents and their 4-year-old child who will be entering kindergarten the following year. The objectives of the program target school readiness for children, parent education, early academic awareness and intervention as needed, parent involvement and building home-school-community partnerships. School readiness is becoming a key topic for programming because research indicates that being ready for kindergarten makes a significant difference in educational outcomes, and one key is the level of parental involvement in the program. This program combines both student and parental education. Participants who completed the program were compared with a control group of families who did not complete the program. Results indicated that:

- 85 percent said the program was very or extremely useful to them.
- Parents and children who participated in the program showed significant increases in 12 of 13 measures of parenting and child school readiness, compared with nonparticipants.
- Social skill development was three times higher and emotional skill development was two times higher in children who participated than those who did not.
- Familiarity with numbers was four times higher, and familiarity with the alphabet (academic skills) was 2.5 times higher for children who participated compared with those who did not.

Handwritten note: *Handwritten note: 100% of parents we represent*



Children learn some skills that will help them be better prepared when they start kindergarten.

#6

**Chamberlin, Sara E.**

**Subject:** FW: parenting resource centers

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**From:** Hauck, Duane [mailto:Duane.Hauck@ndsu.edu]  
**Sent:** Wednesday, March 23, 2011 8:47 AM  
**To:** Chamberlin, Sara E.  
**Subject:** parenting resource centers

Dear Sara,

The NDSU Extension Service received a \$125,000 appropriation in 2007-2009 and another \$125,000 appropriation in 2009-2011, for a total of \$250,000 per biennium, to support the Parent Resource Centers. This funding is used for educational activities that are focused on parenting. There is no other funding in HB1020 for parenting and there is no funding related to child care.

The Parent Resource Centers pursue grants for much of their work with most of the grant funding coming from the Department of Health and Human Services. The grants usually require very specific parenting education activities. I believe Dave sent you detail documentation on the current grant funding that is being received.

In regards to the Gearing Up for Kindergarten program, the \$830,000 that was recommended in the executive budget would provide \$500,000 to pass through to schools to cover a portion of the teacher costs, plus \$330,000 for extension to hire a statewide coordinator and to undertake a research/evaluation project to show the impact of the program. Extension could execute the "Gearing Up" program with this level of funding, but not to the extent that was described to the Governor's Commission on Educational Improvement. We also need (and requested through SBARE #5) additional funding support for the Parent Resource Centers so that they can prioritize delivering the "Gearing Up" program rather than working on other issues as dictated by grants. With the SBARE #5 funding, we would be able to provide more "hands-on" training to schools at the regional level and provide direct technical assistance to the parenting component of the curriculum. However, if we are limited to the \$830,000, we would only be able to conduct the training on a state wide basis and would not be able to provide the direct hands-on/technical assistance to the individual schools.

I hope this helps answer your questions. Don't hesitate to call if you need more information.

Duane



#6

## Compulsory Attendance Laws Listed by State

Note: State laws may change at any time.

If the law in your state has changed, please inform us at [info@schoolengagement.org](mailto:info@schoolengagement.org)

State	Mandatory Starting Age	Legal Dropout Age	Exceptions (The information in this list is correct, but may not be complete.)
Alabama	7	16	
Alaska	7	16	Or until early completion of a high school degree. Exception if a child lives more than 2 miles from a school or bus route.
Arizona	6	16	Or until 10th grade completion.
Arkansas	5	17	
California	6	18	
Colorado	7	16	
Connecticut	5	18	Opt-out 'til age 7 possible.
Delaware	5	16	
District of Columbia	5	18	
Florida	6	16	
Georgia	6	16	
Hawaii	6	18	Waivers are available for work at age 15.
Idaho	7	16	
Illinois	7	16	Exceptions made for employment.
Indiana	7	18	
Iowa	6	16	
Kansas	7	16	Law reads until 18 but 16- and 17-year-olds can withdraw after counseling and signing an informed withdrawal.
Kentucky	6	16	Parent signature and counseling session needed if a child drops out before 18.
Louisiana	7	18	Or until early completion of a high school degree.
Maine	7	17	
Maryland	5	16	
Massachusetts	6	16	Exceptions may be granted if a) child meets requirements for 6th grade educational level, AND 2) holds permit for employment in private domestic area or on a farm, AND 3) has written permission of local school superintendent.
Michigan	6	16	
Minnesota	7	16	
Mississippi	6	17	
Missouri	7	16	
Montana	7	16	Local boards of trustees may make individual exceptions.
Nebraska	6	18	This new age-range (a change from 7-16) is effective as of July 1, 2005. Those who turned 16 before the law was passed are exempt. Parents will be able to withdraw children at 16.
Nevada	7	17	

16 - 27 States  
17 - 8 States  
18 - 16 States

Prepared by National Center for School Engagement (2003) [www.truancy-prevention.org](http://www.truancy-prevention.org)

#8 CC #12  
SB 2150

State	Mandatory Starting Age	Legal Dropout Age	Exceptions (The information in this list is correct, but may not be complete.)
New Hampshire	6	16	
New Jersey	6	16	
New Mexico	5	18	
New York	6?	17	
North Carolina	7?	16	
North Dakota	7	16	
Ohio	6	18	
Oklahoma	5	18	Waiver available until 6 years of age.
Oregon	7	18	Or until early high school graduation.
Pennsylvania	8	17	Or until early high school graduation.
Rhode Island	6	16	Exceptions are made for children with physical or mental disabilities.
South Carolina	5	17	Parental waiver is allowed for kindergarten at 5 years old.
South Dakota	6	16	
Tennessee	6	17	
Texas	6	18	
Utah	6	18	
Vermont	6	16	Or completion of 10th grade.
Virginia	5	18	
Washington	8	18	Child may withdraw at 15 for work or if proficient at the 9th grade level.
West Virginia	6?	16	
Wisconsin	6	18	Or until early high school graduation.
Wyoming	7	16	

Select School Finance Facts ... Rapid Enrollment Districts from 2010 to 2011.

School Finance Facts at a Glance

TYPE (All)

DN/NAME	Data	FY	1985	1990	1995	2000	2005	2006	2007	2008	2009	2010	2011
HARVEY 38	K Enrollment		60	50	40	34	41	28	23	37	29	20	
	1-6 Enrollment		329	289	291	225	151	168	168	165	181	211	
	7-8 Enrollment		117	94	100	97	78	70	62	57	51	51	
	9-12 Enrollment		246	173	203	200	194	170	164	153	139	146	
	Total K-12 Enrollment		752	616	634	556	464	436	417	412	400	428	
	6-17 Census		684	625	584	533	433	433					
	PK-12 Avg Daily Membership		752	661	622	587	492	465	452	407	403	410	
	Taxable Valuation		5,015,818	5,098,862	5,494,214	7,158,768	8,570,870	9,042,970	9,104,861	9,246,383	9,605,210	10,115,533	
	Tax Value Per Enr Student		6,670	8,277	8,666	12,875	18,472	20,741	21,834	22,443	24,013	23,634	
	General Fund Levy		51	171	189	161	181	175	184	182	109	104	
	Total Levy		115	178	195	176	192	186	195	198	125	120	
	Gen Fund Local Revenue		702,376	941,646	1,097,351	1,414,968	1,812,808	1,819,039	1,830,264	1,964,445	1,986,793	1,352,063	
	Gen Fund County Revenue		0	0	0	0	0	0	0	0	0	0	
	Gen Fund State Revenue		1,334,352	1,241,468	1,239,222	1,445,836	1,490,053	1,793,551	1,519,790	1,718,926	1,854,874	2,564,072	
	Gen Fund Federal Revenue		56,844	81,873	168,726	173,895	215,411	164,857	178,717	196,731	186,910	513,693	
	Gen Fund Other Revenue		8,879	39,166	173,255	61,653	36,520	34,656	35,771	6,201	32,448	2,050	
	Gen Fund Total Revenue		2,102,451	2,304,153	2,678,554	3,096,352	3,554,792	3,812,103	3,564,542	3,886,303	4,061,025	4,431,877	
	Salary and Benefits Teachers			1,484,613	1,746,557	2,020,647	2,020,647	2,069,315	1,952,968	1,935,768	1,951,902	1,900,842	
	Salary and Benefits Support			91,280	144,075	179,418	179,418	184,316	188,852	193,180	140,902	147,930	
	Other Instructional Costs			154,631	255,959	158,892	216,440	186,166	222,627	339,697	348,880	255,856	
	School Administration			139,368	139,368	158,892	194,459	200,290	194,421	203,840	205,765	214,354	
	General Administration			162,146	162,146	190,855	227,610	237,997	236,052	248,430	261,898	292,610	
	Operation and Maint. of Plant			242,180	242,180	350,712	334,072	362,106	367,234	415,606	427,090	503,426	
	Instructional Expenditures		1,882,573	2,182,486	2,274,218	2,847,049	3,172,645	3,250,190	3,162,152	3,336,520	3,336,437	3,315,018	
	Capital Projects			166,296	166,296	157,813	174,249	190,923	188,687	187,887	241,542	176,054	
	Extracurricular			0	0	60,290	25,213	0	0	0	0	0	
	All other expenditures			68,592	91,880	91,880	123,778	129,324	122,880	133,490	171,992	160,553	
	Gen Fund Expenditures		2,102,481	2,492,697	2,622,949	3,207,397	3,623,099	3,678,556	3,569,905	3,773,501	3,882,981	3,708,378	
	Gen Fund End Balance		1,008,581	714,741	378,145	573,962	444,977	578,523	573,161	685,964	864,009	1,587,507	
	Cost of Ed. Per Pupil (districts)		2,503	3,302	3,654	4,851	6,454	6,987	7,003	8,192	8,278	8,094	
	District Count		1	1	1	1	1	1	1	1	1	1	

SB2150  
#7







School Finance Facts at a Glance

Select School Finance Facts ... Rapid Enrollment Districts from 2010 to 2011.

DNNAME	Date	FY	1985	1990	1995	2000	2005	2006	2007	2008	2009	2010
MAX 50	K Enrollment	20	9	16	11	7	7	5	9	14	17	16
	1-6 Enrollment	112	77	88	76	65	65	69	75	64	57	78
	7-8 Enrollment	41	31	23	32	31	31	20	22	31	30	31
	9-12 Enrollment	112	64	63	49	53	53	51	52	43	54	63
	Total K-12 Enrollment	285	181	190	168	156	150	145	158	152	158	188
	6-17 Census	272	218	164	150	150	150	150	147	157	151	162
	PK-12 Avg Daily Membership	300	204	195	166	165	165	158	147	157	151	162
	Taxable Valuation	2,164,918	2,048,376	1,877,328	2,536,445	2,946,044	3,141,047	3,114,047	3,199,731	3,241,502	3,478,064	5,081,171
	Tax Value Per Enr Student	7,596	11,317	9,881	15,098	18,985	18,985	21,662	20,251	21,326	22,013	27,028
	General Fund Levy	36	118	178	149	155	171	171	178	178	107	82
	Total Levy	80	149	203	164	170	186	186	193	193	121	94
	Gen Fund Local Revenue	187,586	236,242	345,041	431,207	461,185	477,804	568,831	568,831	683,761	660,705	558,029
	Gen Fund County Revenue	37,467	39,281	44,884	47,309	60,227	86,258	81,718	81,718	70,389	68,851	71,312
	Gen Fund State Revenue	571,615	462,934	439,603	535,156	665,804	651,173	658,935	658,935	701,614	811,398	1,057,850
	Gen Fund Federal Revenue	27,090	34,574	46,156	39,169	93,319	116,826	35,398	35,398	102,026	91,898	359,469
	Gen Fund Other Revenue	0	2,576	0	7,199	1,511	2,424	1,453	1,453	2,111	255	440
	Gen Fund Total Revenue	833,758	775,607	875,684	1,080,041	1,282,046	1,394,485	1,346,336	1,346,336	1,559,901	1,633,107	2,047,100
	Salary and Benefits Teachers	430,687	480,625	480,625	480,625	692,681	690,005	671,997	671,997	787,227	797,427	871,310
	Salary and Benefits Support	11,685	19,438	19,438	19,438	23,406	28,590	54,063	54,063	71,405	59,841	67,106
	Other Instructional Costs	33,503	86,963	30,592	86,963	140,757	115,117	130,711	130,711	172,245	175,980	218,606
	School Administration	30,592	20,934	108,720	20,934	22,642	23,812	35,332	35,332	37,670	52,547	60,330
	General Administration	122,518	122,518	101,312	101,312	112,973	120,628	124,059	124,059	252,446	213,859	183,840
	Operation and Maint. of Plant	64,985	64,985	817,992	817,992	1,163,069	1,106,725	1,163,722	1,163,722	1,475,733	1,486,502	1,587,673
	Instructional Expenditures	715,330	740,486	693,970	74,678	106,476	137,318	95,687	95,687	127,192	197,392	275,451
	Student Transportation	0	0	0	0	0	0	0	0	0	0	0
	Capital Projects	0	0	0	0	0	0	0	0	0	0	0
	Extracurricular	13,271	27,376	17,207	13,271	40,244	38,416	33,942	33,942	44,135	40,866	44,990
	All other expenditures	854,202	888,937	823,450	955,827	1,309,789	1,293,826	1,293,352	1,293,352	1,647,342	1,755,547	1,938,582
	Gen Fund Expenditures	389,397	20,562	252,101	439,658	561,511	585,809	638,793	638,793	651,727	529,287	637,805
	Gen Fund End Balance	2,384	3,630	3,559	4,939	7,037	7,005	7,925	7,925	9,389	9,840	9,785
	Cost of Ed. Per Pupil (districts)	1	1	1	1	1	1	1	1	1	1	1
	District Count	1	1	1	1	1	1	1	1	1	1	1

#7

Select School Finance Facts ... Rapid Enrollment Districts from 2010 to 2011.

School Finance Facts at a Glance

DN/NAME	Data	FY									
		1985	1990	1995	2000	2005	2006	2007	2008	2009	2010
MCKENZIE COUNTY 1	K Enrollment	90	68	41	38	26	37	38	38	40	44
	1-6 Enrollment	539	402	351	276	210	204	211	211	227	242
	7-8 Enrollment	165	126	119	110	105	96	81	81	81	90
	9-12 Enrollment	268	268	230	233	208	202	203	203	192	210
	Total K-12 Enrollment	1,062	864	741	657	549	539	533	533	540	586
	6-17 Census	978	900	766	709	589	594	594	594	522	543
	PK-12 Avg Daily Membership	1,089	914	741	664	579	538	537	537	525	543
	Taxable Valuation	9,296,008	8,755,447	8,976,638	9,208,377	9,863,061	10,541,870	10,851,192	10,874,714	11,538,680	12,625,353
	Tax Value Per Enr Student	8,753	10,134	12,114	14,016	17,966	19,558	20,359	20,913	21,368	21,545
	General Fund Levy	26	82	142	150	140	145	153	156	156	101
	Total Levy	94	97	146	154	144	149	153	156	105	101
	Gen Fund Local Revenue	1,145,291	1,163,108	1,418,927	1,694,688	1,556,670	1,509,953	1,826,664	1,925,474	1,989,770	1,452,020
	Gen Fund County Revenue	1,151,606	615,879	398,668	341,483	782,650	1,135,854	786,138	914,988	763,021	775,363
	Gen Fund State Revenue	2,087,012	1,641,781	1,607,603	1,885,428	2,065,634	2,152,768	2,054,084	2,157,460	2,278,246	3,145,264
	Gen Fund Federal Revenue	212,238	471,211	453,661	475,202	556,853	600,766	781,663	646,950	1,130,941	1,219,933
	Gen Fund Other Revenue	2,784	6,350	6,380	12,258	0	0	0	100	160	1,990
	Gen Fund Total Revenue	4,598,911	3,898,329	3,885,239	4,409,058	4,963,807	5,399,361	5,448,549	5,647,972	6,162,138	6,594,570
	Salary and Benefits Teachers			2,139,299	2,127,803	2,469,557	2,624,583	2,670,049	2,784,970	2,811,734	2,971,864
	Other Instructional Costs			135,181	188,491	220,496	259,237	269,079	272,823	297,223	283,563
	School Administration			151,748	227,042	271,832	276,841	273,111	290,200	237,613	288,253
	General Administration			209,076	208,650	260,590	253,529	253,355	272,994	288,088	302,171
	Operation and Maint. of Plant			240,079	282,867	273,454	287,298	298,147	305,211	310,998	357,026
	Instructional Expenditures			377,565	414,304	519,281	538,613	618,897	534,925	526,985	552,915
	Capital Transportation	2,540,408	3,389,918	3,252,950	3,449,159	4,015,190	4,240,101	4,392,637	4,461,124	4,472,641	4,755,791
	Capital Projects			443,186	358,637	493,535	487,004	516,910	653,635	691,756	598,782
	Extracurricular			0	0	0	0	150,988	584,408	181,724	406,764
	All other expenditures			88,986	102,044	142,116	151,253	162,156	168,625	176,925	172,384
	Gen Fund Expenditures	5,198,705	4,203,713	3,982,699	4,117,179	4,834,986	5,374,266	5,443,452	6,118,048	5,814,572	6,223,247
	Gen Fund End Balance	3,162,000	1,891,180	2,034,526	1,728,906	1,878,251	1,904,347	1,909,445	1,439,369	1,786,935	2,158,257
	Cost of Ed. Per Pupil (districts)	2,333	3,709	4,390	5,191	6,934	7,909	8,159	8,494	8,564	8,764
	District Count	1	1	1	1	1	1	1	1	1	1

# 7

Select School Finance Facts ... Rapid Enrollment Districts from 2010 to 2011.

School Finance Facts at a Glance

DNAME	Data	FY									
		1985	1990	1995	2000	2005	2006	2007	2008	2009	2010
MINOT 1	K Enrollment	772	701	658	578	552	513	567	594	622	663
	1-6 Enrollment	3,886	3,928	3,718	3,203	2,921	2,906	2,849	3,041	3,088	3,245
	7-8 Enrollment	1,105	1,125	1,170	984	933	892	859	910	915	978
	9-12 Enrollment	2,110	2,231	2,318	2,410	2,070	2,100	1,968	1,906	1,998	2,151
	Total K-12 Enrollment	7,873	7,985	7,864	7,175	6,476	6,411	6,243	6,451	6,623	7,037
	6-17 Census	8,173	6,240	6,403	6,100	5,585	5,585	5,585	5,585	5,585	5,585
	PK-12 Avg Daily Membership	7,784	7,823	7,883	7,628	6,901	6,757	6,671	6,628	6,760	6,863
	Taxable Valuation	40,493,724	40,569,591	47,696,450	63,913,833	78,272,711	86,111,800	93,865,202	103,001,261	113,430,597	127,362,513
	Tax Value Per Enr Student	5,143	5,093	6,065	8,908	12,087	13,432	15,035	15,967	17,127	18,099
	General Fund Levy	61	176	173	164	185	185	183	185	109	106
	Total Levy	141	179	182	185	211	208	206	205	133	130
	Gen Fund Local Revenue	5,828,923	8,373,605	13,796,691	22,477,817	27,526,250	29,891,399	28,210,197	29,039,771	30,446,197	25,395,795
	Gen Fund County Revenue	28,034	50,686	15,457	11,876	17,437	23,052	23,832	32,805	37,068	36,267
	Gen Fund State Revenue	12,492,522	12,605,217	14,930,210	18,668,852	22,104,357	22,222,318	22,363,716	23,916,130	25,378,773	34,974,727
	Gen Fund Federal Revenue	3,385,698	4,262,440	2,420,691	2,384,459	4,147,831	4,031,364	4,020,308	4,135,184	4,054,447	11,535,396
	Gen Fund Other Revenue	8,228	544,114	11,923	66,661	34,709	378,470	2,881,398	2,771,093	2,530,644	2,580,622
	Gen Fund Total Revenue	21,743,405	25,836,062	31,174,972	43,609,665	53,830,584	56,546,603	57,499,451	59,894,785	62,447,129	74,522,806
	Salary and Benefits Teachers			18,189,091	24,343,064	30,275,279	30,819,973	31,350,955	33,924,690	36,005,931	38,647,535
	Salary and Benefits Support			1,276,457	1,654,499	2,039,808	2,052,684	2,169,220	2,275,007	2,436,059	2,581,438
	Other Instructional Costs			1,693,655	2,981,139	3,403,505	3,629,629	3,392,741	3,902,457	3,873,112	5,551,826
	School Administration			1,875,352	2,274,627	2,833,009	2,938,930	2,961,658	3,147,376	3,344,079	3,541,163
	General Administration			1,364,191	1,741,561	2,347,665	2,563,742	2,718,788	2,734,536	2,662,637	2,982,131
	Operation and Maint. of Plant			3,865,725	4,903,328	4,937,384	5,191,359	5,231,603	5,650,449	5,934,979	5,808,710
	Instructional Expenditures	20,408,413	24,379,716	28,284,471	37,898,218	45,836,650	47,176,317	47,824,964	51,634,515	54,256,797	59,112,802
	Capital Projects		483,576	48,954	842,055	608,084	528,772	646,326	660,614	879,450	1,146,385
	Extracurricular		618,649	856,915	78,605	1,156,465	1,252,717	1,256,881	1,354,967	1,363,468	3,599,298
	All other expenditures		1,871,948	1,904,834	2,874,215	2,837,299	2,112,756	2,904,516	3,187,191	3,766,076	3,599,298
	Gen Fund Expenditures	21,778,353	25,963,568	31,387,597	41,580,628	51,784,884	53,907,861	55,932,847	59,956,697	62,855,356	67,832,981
	Gen Fund End Balance	5,271,985	4,502,724	1,748,048	13,136,915	10,573,095	13,211,837	14,778,641	14,716,728	14,308,501	20,998,326
	Cost of Ed. Per Pupil (districts)	2,622	3,116	3,585	4,969	6,642	6,982	7,169	7,790	8,026	8,614
	District Count	1	1	1	1	1	1	1	1	1	1

#9

Select School Finance Facts ... Rapid Enrollment Districts from 2010 to 2011.

TYPE (All)

School Finance Facts at a Glance

DNAME	Data	FY	1985	1990	1995	2000	2005	2006	2007	2008	2009	2010	2011
NESSON 2	K Enrollment		23	17	8	12	8	6	8	9	13	14	
	1-6 Enrollment		95	152	107	75	66	68	59	64	74	89	
	7-8 Enrollment		22	43	55	28	27	27	33	31	37	43	
	9-12 Enrollment		44	67	99	83	57	58	61	60	67	73	
	Total K-12 Enrollment		184	279	269	198	158	159	161	164	191	219	
	6-17 Census		184	265	239	191	166	166					
	PK-12 Avg Daily Membership		207	282	267	212	166	160	165	153	171	193	
	Taxable Valuation		1,805,918	2,316,110	2,370,278	3,116,238	3,363,674	3,634,390	4,375,884	4,824,620	5,638,270	6,257,813	
	Tax Value Per Enr Student		9,815	8,301	8,811	15,739	21,289	22,858	27,179	29,418	29,520	28,574	
	General Fund Levy		75	161	185	182	178	185	175	173	92	94	
	Total Levy		124	166	186	195	193	201	190	188	105	106	
	Gen Fund Local Revenue		237,547	351,666	426,087	582,722	677,264	703,994	833,394	856,334	926,381	665,975	
	Gen Fund County Revenue		34,989	36,986	43,245	51,309	62,924	73,814	85,305	118,603	107,936	111,025	
	Gen Fund State Revenue		366,871	490,106	579,347	613,328	666,452	621,222	630,179	687,429	758,820	1,247,448	
	Gen Fund Federal Revenue		67,768	22,300	42,584	71,162	100,699	67,156	85,857	87,242	68,370	292,502	
	Gen Fund Other Revenue		61,408	0	0	0	20,000	20,000	20,000	10,000	20,000	35,000	
	Gen Fund Total Revenue		758,583	901,058	1,091,263	1,318,521	1,527,339	1,486,186	1,654,735	1,759,608	1,881,508	2,351,949	
	Salary and Benefits Teachers				600,879	696,332	758,262	757,121	832,623	875,716	903,346	1,061,511	
	Salary and Benefits Support				0	0	33,238	0	0	29,742	35,146	39,470	
	Other Instructional Costs				65,547	73,376	126,534	125,167	165,645	207,883	181,919	234,524	
	School Administration				46,426	57,737	70,722	65,552	55,884	64,239	81,592	81,942	
	General Administration				125,533	157,050	126,459	132,417	130,479	150,918	149,865	151,104	
	Operation and Maint. of Plant				104,163	136,720	148,340	157,298	144,194	150,856	152,262	222,680	
	Instructional Expenditures		552,899	817,190	942,348	1,121,214	1,263,554	1,237,556	1,328,826	1,479,353	1,504,130	1,791,230	
	Student Transportation				82,369	87,688	119,893	106,923	123,729	152,383	245,908	214,431	
	Capital Projects				0	-795	0	0	0	0	0	0	
	Extracurricular				5,709	4,038	55,217	55,818	63,112	66,807	62,359	71,564	
	All other expenditures				72,204	84,463	52,994	50,850	57,976	60,110	51,307	56,161	
	Gen Fund Expenditures		744,061	941,434	1,102,630	1,296,608	1,491,658	1,451,147	1,573,643	1,758,653	1,863,705	2,133,387	
	Gen Fund End Balance		157,676	162,984	164,634	279,965	368,304	403,343	484,435	485,390	503,194	721,756	
	Cost of Ed. Per Pupil (districts)		2,671	2,898	3,524	5,279	7,632	7,733	8,076	9,692	8,789	9,305	
	District Count		1	1	1	1	1	1	1	1	1	1	

#7

Select School Finance Facts ... Rapid Enrollment Districts from 2010 to 2011.

School Finance Facts at a Glance

DNAME	Data	FY									
		1985	1990	1995	2000	2005	2006	2007	2008	2009	2010
STANLEY 2	K Enrollment	45	49	31	32	22	32	29	33	39	43
	1-6 Enrollment	272	247	229	159	162	161	177	191	193	220
	7-8 Enrollment	106	90	76	58	41	47	58	71	65	77
	9-12 Enrollment	198	195	181	176	115	110	103	100	114	132
	Total K-12 Enrollment	621	581	517	425	340	350	367	395	411	472
	6-17 Census	556	521	476	382	309	309	353	354	403	410
	PK-12 Avg Daily Membership	628	564	526	432	344	341	354	354	403	410
	Taxable Valuation	3,997,965	3,553,348	4,149,575	5,429,053	5,936,719	6,359,834	6,509,866	6,876,284	8,542,304	15,977,648
	Tax Value Per Enr Student	6,438	6,116	8,026	12,774	17,461	18,171	17,738	17,408	20,784	33,851
	General Fund Levy	52	145	171	182	185	171	185	185	110	110
	Total Levy	154	201	221	209	208	208	208	208	141	129
	Gen Fund Local Revenue	524,493	685,128	812,376	1,006,900	1,281,817	1,191,873	1,294,606	1,449,946	1,433,350	1,268,152
	Gen Fund County Revenue	63,925	100,876	26,378	32,036	35,033	46,380	101,145	428,060	605,795	533,658
	Gen Fund State Revenue	1,148,190	1,081,475	1,106,611	1,235,159	1,290,165	1,331,915	1,395,303	1,464,689	1,601,591	2,347,322
	Gen Fund Federal Revenue	47,921	72,945	85,072	122,395	163,154	145,519	139,440	138,888	173,223	665,591
	Gen Fund Other Revenue	846	9,155	30,071	131,649	50,065	64,277	51,888	46,234	6,149	40,742
	Gen Fund Total Revenue	1,785,375	1,949,579	2,060,508	2,528,138	2,820,234	2,779,965	2,982,382	3,527,817	3,820,108	4,855,465
	Salary and Benefits Teachers			1,135,406	1,302,311	1,529,223	1,540,119	1,566,798	1,617,270	1,835,790	2,289,401
	Other Instructional Costs			67,716	78,031	88,060	99,439	83,990	98,081	115,106	106,692
	School Administration			145,630	185,237	161,692	170,979	205,093	252,516	385,401	382,733
	General Administration			106,913	138,193	151,507	162,947	151,577	158,941	202,622	223,785
	Operation and Maint. of Plant			139,883	137,478	155,088	167,548	219,400	289,419	251,176	271,347
	Instructional Expenditures			203,967	250,358	277,886	300,575	313,185	286,419	318,078	326,199
	Student Transportation			1,799,515	2,081,609	2,363,456	2,441,808	2,550,043	2,702,640	3,108,173	3,600,158
	Capital Projects			187,774	160,187	289,385	263,533	300,309	347,014	275,628	297,183
	Extracurricular			0	34,673	0	672	19,319	232,087	295,811	503,049
	All other expenditures			53,963	92,941	67,957	64,045	88,902	113,473	119,867	129,231
	Gen Fund Expenditures	1,860,458	1,936,630	2,101,871	2,467,068	2,788,269	2,779,691	2,974,279	3,427,682	3,820,108	4,554,340
	Gen Fund End Balance	404,366	339,678	336,205	391,044	524,680	524,954	533,057	633,183	633,183	934,308
	Cost of Ed. Per Pupil (districts)	2,516	2,994	3,421	4,844	6,987	7,155	7,225	7,628	7,719	8,771
	District Count	1	1	1	1	1	1	1	1	1	1

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Select School Finance Facts ... Rapid Enrollment Districts from 2010 to 2011.

School Finance Facts at a Glance

DNAME	Data	FY													
		1985	1990	1995	2000	2005	2006	2007	2008	2009	2010				
VALLEY CITY 2															
	K Enrollment	122	94	91	73	61	61	77	77	87	81	85			
	1-6 Enrollment	613	659	612	516	467	442	422	422	441	479	477			
	7-8 Enrollment	219	238	263	232	173	200	180	180	171	161	182			
	9-12 Enrollment	467	408	497	439	435	391	379	391	381	358	385			
	Total K-12 Enrollment	1,421	1,399	1,463	1,260	1,136	1,094	1,058	1,058	1,080	1,079	1,129			
	6-17 Census	1,484	1,392	1,401	1,174	1,153	1,153	1,153	1,153	1,108	1,102	1,104			
	PK-12 Avg Daily Membership	1,374	1,398	1,471	1,325	1,227	1,185	1,074	1,074	1,108	1,102	1,104			
	Taxable Valuation	9,343,549	8,925,050	9,798,363	12,120,554	15,656,756	16,921,764	17,869,538	18,926,056	23,514,378	25,116,099	22,246			
	Tax Value Per Enr Student	6,575	6,380	6,697	9,619	13,782	15,468	16,890	17,524	17,524	21,793	22,246			
	General Fund Levy	90	180	206	183	185	185	185	185	185	110	110			
	Total Levy	152	207	238	240	238	241	225	225	225	146	145			
	Gen Fund Local Revenue	1,307,356	1,606,747	2,021,844	2,514,458	3,120,132	3,281,818	3,833,255	3,771,827	3,903,310	3,903,310	3,234,920			
	Gen Fund County Revenue	0	0	0	0	0	0	0	0	0	0	0			
	Gen Fund State Revenue	2,400,529	2,389,752	2,793,643	3,312,442	3,763,482	3,933,908	3,890,072	4,551,479	4,766,335	4,766,335	6,435,893			
	Gen Fund Federal Revenue	103,334	142,149	236,163	567,882	422,811	393,202	390,376	387,782	424,849	424,849	1,649,798			
	Gen Fund Other Revenue	0	0	0	0	0	0	0	0	0	0	0			
	Gen Fund Total Revenue	3,811,219	4,138,648	5,051,650	6,394,781	7,308,424	7,733,929	8,113,704	8,711,088	9,084,494	9,084,494	11,320,611			
	Salary and Benefits Teachers	3,109,447	3,355,594	4,097,707	4,097,707	4,265,499	4,265,499	4,230,015	4,829,273	5,087,498	5,087,498	5,474,637			
	Other Instructional Costs	218,578	278,560	235,134	277,149	364,455	330,217	476,633	643,813	629,554	629,554	685,634			
	School Administration	278,560	277,149	277,149	277,149	369,835	360,958	471,108	437,692	456,554	456,554	605,922			
	General Administration	233,242	233,242	233,242	233,242	327,539	327,539	403,003	500,320	476,572	476,572	1,281,838			
	Operation and Maint. of Plant	399,244	438,727	438,727	438,727	591,000	605,282	626,257	805,109	758,024	758,024	796,140			
	Instructional Expenditures	4,474,205	5,195,186	5,195,186	6,337,554	6,498,990	6,570,871	7,687,316	7,861,534	9,324,196	9,324,196	248,575			
	Capital Transportation	210,017	210,017	210,017	210,017	197,147	205,904	212,593	230,350	210,999	210,999	0			
	Capital Projects	0	0	0	0	0	0	0	0	0	0	0			
	Extracurricular	33,901	197,809	197,809	197,809	275,596	279,143	289,145	338,862	359,911	359,911	354,024			
	All other expenditures	492,319	644,525	644,525	644,525	629,372	678,083	662,259	696,643	746,917	746,917	862,951			
	Gen Fund Expenditures	3,830,424	4,404,866	5,237,624	6,247,537	7,439,669	7,662,120	7,734,867	8,953,171	9,179,361	10,789,746	10,789,746			
	Gen Fund End Balance	587,491	247,172	145,069	689,332	670,658	742,466	1,121,304	879,221	794,354	1,325,219	1,325,219			
	Cost of Ed. Per Pupil (districts)	2,403	2,721	3,042	3,921	5,167	5,578	6,120	6,937	7,132	8,446	8,446			
	District Count	1	1	1	1	1	1	1	1	1	1	1			

#7



Select School Finance Facts ... Rapid Enrollment Districts from 2010 to 2011.

School Finance Facts at a Glance

DNAME	Data	FY									
		1985	1990	1995	2000	2005	2006	2007	2008	2009	2010
WEST FARGO 6	K Enrollment	393	342	378	364	425	476	473	548	629	621
	1-6 Enrollment	1,912	2,118	2,244	2,328	2,730	2,847	2,999	3,185	3,199	3,393
	7-8 Enrollment	577	672	772	764	899	933	941	974	1,046	1,066
	9-12 Enrollment	1,050	1,135	1,388	1,569	1,623	1,645	1,766	1,860	1,974	2,004
	Total K-12 Enrollment	3,932	4,267	4,782	5,025	5,677	5,901	6,179	6,567	6,848	7,084
	6-17 Census	3,615	3,912	4,370	4,399	5,306	5,306	5,306	6,396	6,753	7,089
	PK-12 Avg Daily Membership	3,762	4,154	4,720	4,988	5,634	5,896	6,036	6,396	6,753	7,089
	Taxable Valuation	22,214,923	28,176,853	39,350,436	60,359,430	109,514,539	127,048,414	143,467,729	154,815,661	162,305,976	169,182,271
	Tax Value Per Enr Student	5,650	6,603	8,229	12,012	19,291	21,530	23,219	23,575	23,701	23,882
	General Fund Levy	70	164	180	185	185	185	185	185	110	110
	Total Levy	151	226	252	249	254	254	249	246	171	171
	Gen Fund Local Revenue	2,888,630	4,193,640	7,045,222	10,975,019	19,131,161	21,982,129	25,218,584	28,725,566	30,053,376	21,332,224
	Gen Fund County Revenue	5,126	0	0	0	0	0	0	0	0	0
	Gen Fund State Revenue	5,895,993	6,671,524	8,842,288	11,840,010	16,064,371	17,277,477	18,423,104	19,323,946	22,578,536	33,121,245
	Gen Fund Federal Revenue	278,870	524,711	858,589	1,422,194	2,526,749	2,832,020	3,002,330	2,792,013	3,512,752	10,247,808
	Gen Fund Other Revenue	0	215,000	83,310	219,077	358,337	177,157	291,719	454,276	1,020,074	581,287
	Gen Fund Total Revenue	9,069,619	11,604,875	16,829,409	24,456,300	38,080,618	42,268,783	46,935,737	51,295,801	57,164,738	65,282,564
	Salary and Benefits Teachers			10,545,813	14,332,377	23,075,941	24,803,316	26,459,242	29,829,810	33,185,486	36,173,998
	Salary and Benefits Support			737,867	1,757,710	3,216,775	3,630,677	3,892,972	4,519,875	5,164,928	6,082,466
	Other Instructional Costs			1,118,904	2,132,867	2,809,612	3,032,899	3,387,019	3,791,478	4,258,378	5,770,294
	School Administration			1,021,518	1,317,140	1,983,153	2,064,664	2,365,710	2,592,570	2,745,345	3,178,976
	General Administration			585,512	892,685	1,298,931	1,491,913	1,996,315	2,181,025	2,193,204	2,254,683
	Operation and Maint. of Plant			1,486,656	1,784,507	2,748,878	3,028,945	3,072,732	4,173,989	4,054,984	4,336,141
	Instructional Expenditures	8,068,465	11,226,930	15,516,270	22,217,286	35,133,280	38,050,415	41,173,989	46,711,817	51,603,325	57,786,558
	Student Transportation			488,202	620,185	1,325,931	1,423,395	1,642,607	1,971,330	2,107,464	2,334,140
	Capital Projects			0	230,473	242,947	335,180	316,080	620,299	1,228,480	755,455
	Extracurricular			74,973	98,079	136,874	145,891	140,231	161,745	207,637	227,543
	All other expenditures			849,161	1,065,890	1,449,731	1,586,822	1,699,574	1,669,627	1,864,536	1,837,905
	Gen Fund Expenditures	9,082,232	12,306,238	16,928,605	24,232,914	38,286,774	41,541,703	44,972,481	51,134,818	57,011,442	62,951,601
	Gen Fund End Balance	1,113,386	63,957	811,275	1,320,138	3,116,114	3,843,194	5,806,450	5,967,434	6,120,730	8,451,693
	Cost of Ed. Per Pupil (districts)	2,145	2,703	3,288	4,454	6,235	6,453	6,821	7,303	7,641	8,141
	District Count	1	1	1	1	1	1	1	1	1	1

# 7

Select School Finance Facts ... Rapid Enrollment Districts from 2010 to 2011.

School Finance Facts at a Glance

DNAME	Data	FY									
		1985	1990	1995	2000	2005	2006	2007	2008	2009	2010
WILLISTON 1	K Enrollment	262	264	187	144	152	129	153	156	181	175
	1-6 Enrollment	1,696	1,466	1,236	981	878	870	846	866	940	1,082
	7-8 Enrollment	515	452	487	391	374	375	349	337	366	404
	9-12 Enrollment	1,035	908	1,021	977	753	762	762	795	788	806
	Total K-12 Enrollment	3,508	3,092	2,931	2,493	2,157	2,136	2,110	2,184	2,275	2,467
	6-17 Census	3,432	2,997	2,862	2,616	2,337	2,337	2,337	2,205	2,276	2,275
	PK-12 Avg Daily Membership	3,503	3,151	2,985	2,632	2,256	2,227	2,211	2,205	2,276	2,275
	Taxable Valuation	17,197,344	11,276,461	12,443,468	15,121,772	18,248,719	20,186,097	23,083,033	26,520,142	31,558,091	34,070,448
	Tax Value Per Enr Student	4,902	3,647	4,245	6,066	8,460	9,450	10,940	12,143	13,872	13,810
	General Fund Levy	101	213	251	238	238	238	213	188	109	110
	Total Levy	121	219	261	248	248	248	223	202	121	124
	Gen Fund Local Revenue	2,955,251	3,176,801	4,046,342	4,173,685	4,861,477	5,174,841	5,660,063	5,917,308	5,971,594	4,702,378
	Gen Fund County Revenue	630,868	427,105	347,151	426,086	634,519	771,535	914,438	1,277,123	1,165,021	1,210,326
	Gen Fund State Revenue	5,074,695	5,193,550	5,769,485	6,974,303	8,087,476	8,108,816	8,307,467	10,576,192	10,833,619	12,985,704
	Gen Fund Federal Revenue	355,302	528,565	1,015,706	1,566,055	2,056,828	2,332,599	2,201,214	2,608,687	2,728,808	5,482,809
	Gen Fund Other Revenue	0	11,956	0	0	13,061	200	500	0	0	0
	Gen Fund Total Revenue	9,016,116	9,337,977	11,178,684	13,140,129	15,653,362	16,377,992	17,083,682	20,379,309	20,699,042	24,381,217
	Salary and Benefits Teachers			6,529,222	7,525,780	8,015,194	8,300,466	8,632,910	10,052,952	10,625,345	12,477,248
	Salary and Benefits Support			422,987	515,200	665,842	705,656	771,006	841,648	862,553	1,014,519
	Other Instructional Costs			721,297	866,201	1,067,543	1,226,774	1,262,205	1,752,491	1,310,594	2,298,884
	School Administration			698,998	774,305	843,396	878,664	956,053	1,096,334	1,228,546	1,249,615
	General Administration			242,947	428,485	676,610	807,621	793,170	825,737	863,328	903,499
	Operation and Maint. of Plant			985,899	1,134,683	1,564,227	1,567,461	1,659,988	2,554,135	2,445,366	2,469,745
	Instructional Expenditures			9,601,350	11,244,654	12,832,813	13,486,642	14,075,342	17,123,297	17,335,732	20,413,520
	Capital Transportation			150,547	248,348	253,539	188,380	280,710	235,369	340,530	300,718
	Capital Projects			3,810	0	595,456	774,946	344,422	0	0	0
	Extracurricular			285,854	347,186	369,743	394,915	411,404	496,761	483,640	579,572
	All other expenditures			676,031	1,089,105	1,617,981	1,578,897	1,604,055	2,192,639	2,518,670	1,239,964
	Gen Fund Expenditures			10,717,592	12,929,294	15,669,533	16,423,779	16,715,933	20,048,067	20,678,572	22,533,774
	Gen Fund End Balance			1,140,654	1,483,507	2,742,542	2,551,724	2,919,473	3,160,915	3,181,385	5,028,829
	Cost of Ed. Per Pupil (districts)			3,216	4,273	5,689	6,056	6,365	7,767	7,618	8,973
	District Count	1	1	1	1	1	1	1	1	1	1

#7

Select School Finance Facts ... Rapid Enrollment Districts from 2010 to 2011.

School Finance Facts at a Glance

TYPE	(All)												
DNAME	Date	FY	1985	1990	1995	2000	2005	2006	2007	2008	2009	2010	2011
Total K Enrollment			1,862	1,900	1,779	1,548	1,518	1,505	1,598	1,804	1,911	1,984	
Total 1-6 Enrollment			11,404	11,303	10,801	8,559	9,213	9,299	9,352	9,803	10,019	10,728	
Total 7-8 Enrollment			3,464	3,553	3,834	3,361	3,269	3,237	3,162	3,249	3,340	3,527	
Total 9-12 Enrollment			6,905	6,775	7,484	7,527	6,730	6,682	6,649	6,661	6,869	7,162	
Total Total K-12 Enrollment			23,635	23,531	23,888	21,995	20,730	20,723	20,761	21,517	22,139	23,401	
Total 6-17 Census			23,855	21,700	21,961	20,788	20,023	20,028	21,296	21,472	22,253	22,866	
Total PK-12 Avg Daily Membership			23,442	23,540	23,932	22,949	21,532	21,452	21,296	21,472	22,253	22,866	
Total Taxable Valuation			139,770,700	137,445,654	162,665,385	217,748,315	301,229,417	335,100,532	369,286,791	400,775,446	436,489,240	479,966,166	
Total Tax Value Per Enr Student			5,914	5,841	6,807	9,900	14,531	16,170	17,788	18,626	19,716	20,510	
Total General Fund Levy			65	165	181	177	186	186	185	184	109	107	
Total Total Levy			137	190	211	213	232	230	226	223	148	145	
Total Gen Fund Local Revenue			19,520,736	25,146,211	36,569,243	52,537,962	70,089,404	76,830,522	80,164,575	86,124,974	89,801,060	88,696,141	
Total Gen Fund County Revenue			2,322,380	1,528,082	1,105,734	1,268,248	2,139,728	2,767,016	2,670,027	3,596,590	3,538,981	3,491,519	
Total Gen Fund State Revenue			38,313,253	38,679,304	46,465,354	57,413,739	68,571,307	70,376,010	72,215,959	80,331,841	87,248,362	119,056,426	
Total Gen Fund Federal Revenue			5,975,877	7,647,722	8,724,750	11,074,470	16,303,882	16,480,757	16,730,674	16,361,404	18,817,680	43,546,599	
Total Gen Fund Other Revenue			130,059	1,738,300	764,679	635,218	1,778,073	1,274,939	3,802,900	3,608,869	3,877,732	3,625,754	
Total Gen Fund Total Revenue			66,262,305	74,739,619	93,629,760	122,928,637	158,882,394	167,739,243	175,584,135	190,023,678	203,283,815	238,419,439	
Total Salary and Benefits Teachers			54,109,028	68,253,006	88,257,980	91,485,563	94,857,454	103,738,748	111,654,961	119,693,771	125,528,760	152,870,000	
Total Salary and Benefits Support			4,015,986	6,149,598	8,966,368	9,330,469	10,470,677	11,337,277	12,369,252	15,528,760	18,743,586	21,929,741	
Total Other Instructional Costs			5,745,205	9,002,175	11,001,217	11,536,612	11,701,421	13,697,887	14,080,914	18,743,586	21,929,741	25,115,000	
Total School Administration			5,287,311	6,342,417	7,826,484	8,213,269	8,668,105	9,461,561	10,191,449	11,051,011	11,929,741	12,808,486	
Total General Administration			4,435,095	5,904,713	8,472,668	8,832,106	9,564,824	10,271,644	10,921,377	11,929,741	12,808,486	13,687,221	
Total Operation and Maint. of Plant			9,847,734	11,750,805	13,928,175	14,826,119	15,135,621	16,067,628	18,236,026	20,575,034	23,014,042	25,553,034	
Total Instructional Expenditures			58,754,861	69,963,163	83,410,359	107,402,715	138,552,901	144,234,138	150,398,301	166,574,744	176,553,978	197,521,803	
Total Student Transportation			3,109,004	3,706,548	4,761,314	4,825,918	5,318,773	6,013,800	6,933,472	6,984,244	7,529,028	8,074,244	
Total Capital Projects			61,641	403,246	2,020,082	3,505,354	4,130,769	4,623,966	5,472,090	5,292,028	5,947,877	6,735,428	
Total Extracurricular			1,620,020	2,310,114	3,025,715	3,165,836	3,270,531	3,650,193	3,753,834	3,943,428	4,130,769	4,317,221	
Total All other expenditures			5,026,145	5,789,279	8,408,511	7,938,152	8,073,267	8,947,877	9,066,150	7,935,118	7,935,118	7,935,118	
Total Gen Fund Expenditures			66,913,632	77,166,773	93,227,168	119,611,901	156,768,523	163,669,397	171,191,641	189,810,600	201,779,525	221,576,721	
Total Gen Fund End Balance			18,702,365	10,680,340	11,284,093	22,231,326	23,366,534	27,380,042	31,766,108	31,983,284	33,384,240	50,471,908	
Total Cost of Ed. Per Pupil (districts)			2,506	2,972	3,485	4,880	6,435	6,724	7,062	7,758	7,934	8,638	
Total District Count			12	12	12	12	12	12	12	12	12	12	

#7

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2150

In lieu of the amendments adopted by the House as printed on pages 1229-1268 of the House Journal, Reengrossed Senate Bill No. 2150 is amended as follows:

Page 1, line 10, after "schools" insert "; to provide an appropriation"

Page 33, after line 13, insert:

**"SECTION 28. APPROPRIATION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$131,000, or so much of the sum as may be necessary, to the information technology department for the purpose of completing school district connectivity to STAGEnet, for the biennium beginning July 1, 2011, and ending June 30, 2013."

Renumber accordingly

*(motion withdrawn)*

*#9*

Rapid Enrollment Supplemental Payment

Eligibility Tests (districts listed)

- 1 District enrollment increased by 7% of more over the previous year fall enrollment.
- 2 District enrollment increased by 25 student or more over the previous year fall enrollment.

Factors

Per Student Rate \$3,961

Category	1	2	3
Percent Increase	7%	7%	7%
Payment Percent	100%	100%	100%

District Limit \$800,000

CoDist	DistrictName	2011 K-12 Total	2010 K-12 Total	Student K-12 Change	Percent Change	Category	Percent	Per Student Rate	Cap	Addtl Payment
28-050	Max 50	188	158	30	16.0%	1	100%	3,961	800,000	118,830
27-036	Mandaree 36	216	182	34	15.7%	1	100%	3,961	800,000	134,674
31-002	Stanley 2	472	411	61	12.9%	1	100%	3,961	800,000	241,621
53-002	Nesson 2	219	191	28	12.8%	1	100%	3,961	800,000	110,908
53-015	Tioga 15	292	263	29	9.9%	1	100%	3,961	800,000	114,869
27-001	McKenzie Co 1	586	540	46	7.8%	1	100%	3,961	800,000	182,206
53-001	Williston 1	2,467	2,275	192	7.8%	1	100%	3,961	800,000	760,512
52-038	Harvey 38	428	400	28	6.5%	-	0%	-	800,000	-
51-001	Minot 1	7,037	6,628	409	5.8%	-	0%	-	800,000	-
02-002	Valley City 2	1,129	1,079	50	4.4%	-	0%	-	800,000	-
30-001	Mandan 1	3,283	3,169	114	3.5%	-	0%	-	800,000	-
09-006	West Fargo 6	7,084	6,848	236	3.3%	-	0%	-	800,000	-
	Subtotal	23,401	22,144	1,257	5.4%					1,663,620
Biennium										3,327,240

#10  
SB2150

## NDLA, S EDU

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**From:** Flakoll, Tim  
**Sent:** Saturday, April 16, 2011 12:20 PM  
**To:** NDLA, S EDU  
**Subject:** FW: Alternative Compensation Information  
**Attachments:** POINT Synopsis.docx; POINT Report on Impact of Performance Pay on Achievement.pdf; EPI Synopsis - Problems with Using Student Test Scores for Evaluation.docx; EPI\_Briefing\_Issueswithusingtestscorestoevaluate.pdf

Please print this off (including attachments) and add to the file on SB2150.

## Senator Tim Flakoll

District 44

Senate Agriculture - Chair

Senate Education

Interim Higher Education committee - Vice-chair

1350 Second Street North

Fargo, ND 58102

**From:** Rob Lech [mailto:rob.lech@hotmail.com]  
**Sent:** Thursday, April 14, 2011 11:21 AM  
**To:** Flakoll, Tim; Heckaman, Joan M.; Freborg, Layton W.  
**Subject:** Alternative Compensation Information

Senator Freborg, Senator Flakoll, and Senator Heckaman:

My name is Rob Lech and I serve as the Superintendent for the Beulah Public School District in Beulah, ND. My purpose in this email is to share some very specific information regarding alternative teacher compensation. With the rhetoric surrounding alternative teacher compensation, I believe that it is important that you are aware of the general concerns from the education profession as well as the lack of support from the research community regarding the impact of alternative teacher compensation plans.

Below you will see a very length email that I sent to the House Education Committee regarding alternative teacher compensation. Considering the relatively short turnaround for your conference committee schedule on SB 2150, I understand that it would be unreasonable to expect that you would be able to review all of the material I am providing. However, I have given the following brief highlights with the understanding that more detailed information exists in the email below and with the attachments.

### Lack of Support in the Research Community

There have been two very recent and pertinent research studies done on alternative teacher compensation plans that should be considered as North Dakota contemplates alternative teacher compensation. I have included both of these in their entirety as well as synopses that I have written for easier and quicker understanding.

The POINT study was a plan conducted in Tennessee that provided very generous levels of compensation (\$15,000/\$10,000/\$5,000) to teachers for achievable student growth goals. After three years, the researchers determined that no measurable increase in student achievement or instructor attitudes towards the efficacy of teacher compensation was made.

The EPI study determined that utilizing student test scores were an inaccurate measure of teacher effectiveness.

## **Redundancy**

It appears as if this plan would be somewhat redundant to what is currently available to schools and teachers in three of the four areas: Knowledge and Skills, Professional Responsibilities, and Position. At present, schools pay, through the various pay schedules, for knowledge and skills in the form of lanes. At present, if a school district/local education association desires to increase pay for professional responsibilities, schools are able to negotiate for career ladder increases in the master contract. At present, the legislature made school districts able to pay for various hard to find positions off the salary schedule. The only area that is not covered would be Student Growth, which is discussed under a following sub-heading.

## **Quantifying Teacher Effectiveness**

While I completely agree in the necessity of including student growth as a component to any alternative compensation model, there are significant concerns on how the oversimplification of quantifying teacher effectiveness through standardized tests. If the EPI study is to be believed, test scores should not be used. My specific concerns in this area would be:

- 1) What will our measures be to assess all teachers equitably?
- 2) Despite the EPI study, if summative assessments (i.e. North Dakota State Assessment, or NWEA Measures of Academic Progress) are used, how will teachers whose areas are not tested (i.e. Art, Agriculture Education, Music, etc.) be assessed?
- 3) If only teachers impacted by certain summative assessments are granted access to some or all of the alternative compensation, wouldn't that be perpetuating that some teachers or discipline areas are more important than others?
- 4) If the assessments are created by the district, how will we ensure that those assessment tools are normed so that all teachers are assessed at the same expectation level?

If a system is created in which the teacher and principal create individual goals to which the progress of each teacher is assessed (i.e. Denver's Pro-Comp), how is this tied specifically to student achievement for all teachers?

I appreciate your consideration of this material as you look to collaborate in the conference committee to determine what is best for North Dakota education. I am grateful for all that has been done for my profession through legislative action during my tenure as a school administrator.

If you have any specific questions, comments or concerns regarding this material, I would be happy to answer them.

Rob Lech

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From: rob.lech@hotmail.com  
To: rkelsch@nd.gov; lmeier@nd.gov; lhanson@nd.gov; jaheilman@nd.gov; bheller@nd.gov; bhunskor@nd.gov; djohnson@nd.gov; kkarls@nd.gov; crmock@nd.gov; pmueller@nd.gov; kmrohr@nd.gov; drust@nd.gov; masanford@nd.gov; mischatz@nd.gov; jwall@nd.gov  
Subject: Alternative Compensation Information  
Date: Mon, 21 Mar 2011 16:16:21 -0400

Members of the House Education Committee:

My name is Rob Lech and I serve as the Superintendent of Schools for the Beulah Public School District in Beulah, ND. I am writing to share some specific knowledge regarding alternative teacher compensation plans, their expectation of effectiveness and potential pitfalls to successful implementation. Please note that for those committee members that are not able to devote more time to reading the entirety of this lengthy memo, I have included brief "highlights" at the bottom of this email.

While, at present, the STEC-P has been removed from Senate Bill 2150, I understand that there have been discussions involving amendments to return alternative teacher compensation back into the bill. I have devoted a significant amount of time to this subject, prior to the session, as I have been studying the feasibility of “pay for performance” in my own district.

### **Lack of Support in the Research Community**

I will be including two important research studies, as well as two succinct synopses of these studies that I have completed, related to alternative teacher compensation. The first is from the National Center on Performance Incentives – Project on Incentives in Teaching (POINT) through Vanderbilt University conducted with Grades 5-8. POINT provided levels of increases at \$5,000/\$10,000/\$15,000 for achievable student achievement goals in mathematics. It is the most recent and complete study related to the effectiveness of alternative teacher compensation. The second is a study conducted by the Economic Policy Institute (EPI) titled Problems with the Use of Test Scores to Evaluate Teachers, which outlines the dangers of utilizing test scores as the measure of teacher effectiveness.

### **POINT Study**

The Project on Incentives in Teaching (POINT) was a three-year study in the Metropolitan Nashville School System from the 2006/2007 school year through the 2008/2009 school year. Teachers volunteered to be part of the controlled experiment to determine if financial awards for teachers would be an effective intervention that would result in increased gains on standardized tests, specifically the Tennessee Comprehensive Assessment Program (TCAP) - (Executive Summary xi).

The maximum bonus for a teacher was \$15,000 if the students performed at a level that historically have been reached by only the top five percent of middle school math teachers in a given year. Lesser amounts \$5,000 and \$10,000 were awarded to levels that corresponded with the 80<sup>th</sup> and 90<sup>th</sup> percentiles of the same historical distribution. It should be noted that the researchers felt that, for the majority of staff, the highest of performance incentives were “within reach” of the bonus awards (Executive Summary xi).

The principal findings of the POINT project, as it relates to student achievement, are (pages 43-44 of the study):

- There is no significant difference overall between students whose teachers were eligible to receive bonuses and those whose teachers were assigned to the control group.
- No significant difference in any single year was found, nor were there significant differences for students in grades 6-8 when effects were estimated for each grade level.
- There were significant positive effects to achievement scores for those students with teachers eligible for bonuses in the second and third years in grade 5.
- The effects for this fifth grade cohort, appears to not sustain after the grade 5 year.
- There was also a correlation between achievement in social studies and science and the grade 5 cohort.
- Given the limited scope of the effects and the apparent lack of persistence, the authors conclude the POINT intervention did not lead overall to large, lasting changes in student achievement as measured by the standardized tests.

### **EPI Study**

According to the EPI study, using test scores is not an appropriate stand-alone measure of teacher effectiveness for evaluations or compensation increase. A myriad of factors, many of which are not in the control of the individual teacher or school district, impact student achievement and that there is potential for



negative outcomes on staff morale, work environment and potentially student achievement if inappropriate use of achievement data is tied to evaluations and compensation packages.

### **Redundancy**

The key components for an approved plan under the original STEC-P plan included the following:

- 1) Pay for "Knowledge and Skills" (Skills and Professional Development)
- 2) Pay for added "Professional Responsibilities" (Career Ladder)
- 3) Pay for "Position" (Market)
- 4) Pay for "Student Growth" (Student Growth)

It appears as if this plan would be somewhat redundant to what is currently available to schools and teachers in three of the four areas: Knowledge and Skills, Professional Responsibilities, and Position. At present, schools pay, through the various pay schedules, for knowledge and skills in the form of lanes. At present, if a school district/local education association desires to increase pay for professional responsibilities, schools are able to negotiate for career ladder increases in the master contract. At present, the legislature made school districts able to pay for various hard to find positions off the salary schedule. The only area that is not covered would be Student Growth, which is discussed under a following sub-heading.

### **Quantifying Teacher Effectiveness**

While I completely agree in the necessity of including student growth as a component to any alternative compensation model, there are significant concerns on how to quantify teacher effectiveness. If the EPI study is to be believed, test scores should not be used. My specific concerns in this area would be:

What will our measures be to assess all teachers equitably?

- 2) Despite the EPI study, if summative assessments (i.e. North Dakota State Assessment, or NWEA Measures of Academic Progress) are used, how will teachers whose areas are not tested (i.e. Art, Agriculture Education, Music, etc.) be assessed?
- 3) If only teachers impacted by certain summative assessments are granted access to some or all of the alternative compensation, wouldn't that be perpetuating that some teachers or discipline areas are more important than others?
- 4) If the assessments are created by the district, how will we ensure that those assessment tools are normed so that all teachers are assessed at the same expectation level?
- 5) If a system is created in which the teacher and principal create individual goals to which the progress of each teacher is assessed (i.e. Denver's Pro-Comp), how is this tied specifically to student achievement for all teachers?

Without a clearly defined link to student achievement, an additional negative outcome will likely be that teachers will be more apprehensive about having low-achieving students in their classrooms. The EPI study referenced earlier provides an example of this in the private sector. In Great Britain and the United States, heart surgeons were ranked using mortality rate. The negative impact of this policy was that surgeons began to refuse the neediest patients rather than risk helping and negatively impacting their mortality percentage.

### **Sustainability of the Program**

With the general belief that sustainability of alternative compensation is necessary to any true reform in teacher compensation, the committee must consider if the price tag of sustaining the STEC-P is possible. Under the original alternative teacher portion of SB 2150, the price tag would have been \$45 million per biennium at the rate of \$250 per wsu. This was assuming that each student would be impacted by alternative compensation (90,000 ADM) for both years of the biennium. Under the likely amendment terms of \$4 million for the second year of the biennium for 20,000 ADM at \$200 per wsu, that fiscal impact would remain \$36 million per biennium. Is that level of financial support sustainable considering the various other education needs?

### **Potential Negative Impact on Staff Collegiality**

Professional Learning Communities (PLC) are a significant part of our school district and have engrained a positive cultural dynamic in my school environment. It is a vested part of our school reform and we have been pleased with the results of the PLC model. The potential negative impact on PLCs is one of the main reasons that I have begun to challenge my own ideas of the validity of alternative compensation.

One of keys to PLC's is to provide a collegial and supportive environment in which student achievement can be discussed openly and without judgment. I believe that collegiality will suffer significantly if salaries are tied to student outputs. With the strong impact of PLC's on student achievement having been documented in research, while ATCS has not been proven through research to be effective, I would be hesitant to enter into a system in which that collegiality can be damaged.

### **Lack of Accountability for Failed Plans**

As the committee looks into the viability of an alternative compensation plan, it may be needed to adjust the component that deals with school accountability. What happens to a school that applies and receives the funding if student gains are not made? Under the original proposal, it appears that a school would need only to adjust their plan. It does not appear to me that there is an endgame in which a school could no longer receive the funds even after years of failing to raise student achievement.

### **Suggestions to Moving Forward**

I truly believe that the only potentially successful implementation of alternative compensation would be through the continuation of the present language in the second engrossment of SB 2150 outlined in Section 33. This provides for an interim study to be reported with appropriate recommendations and potential legislation to be written upon completion of this study.

As outlined in the POINT study, it would appear that if the committee feels it is necessary to include alternative compensation in SB 2150 at all, a very cautious approach to implementation would be the most prudent. Perhaps developmental grants that would require proof of increased student achievements in the next biennium at a minimum.

### **Information Highlights**

- There is a general lack of support within the research community for the alternative compensation measures outlined in the STEC-P proposal as presently written. This is outlined by two major research studies: the National Center on Performance Incentives – Project on Incentives in Teaching (POINT) through Vanderbilt University and the Economic Policy Institute (EPI) titled Problems with the Use of Test Scores to Evaluate Teachers. Both of these studies, as well as succinct synopses, are attached to this email.

- The current plan is somewhat redundant as three of the four components are already allowed by NDCC.
- There are significant concerns regarding how teacher effectiveness will be quantified and how we can ensure that teachers are all assessed equitably.
- Under the original STEC-P proposal, sustainability would be \$45 million per biennium, if provided to all students at \$250 per weighted student unit (wsu) . With the likely amendment of \$200 per wsu for 20,000 total wsu, a full scale implementation would still cost \$36 per biennium to fund. This is assuming availability to all students in North Dakota (90,000 wsu).
- The impact of Professional Learning Communities (PLCs) would likely be negatively impacted by compensation tied to student achievement. PLCs are heavily supported in research as having a positive impact on student achievement while there is no parallel supporting research for alternative compensation.
- There appears to be no built-in accountability for failed plans. A failed plan could perpetuate without end with simple revisions that may or may not impact student achievement.
- It seems the most prudent to keep the Section 33 of the second engrossment in place to study research-based application of alternative compensation. If the committee finds it necessary to amend alternative compensation back into SB 2150, a cautious approach that provides unsustained grants would be recommended. This would require proof in the next biennium that the alternative compensation package has positively impacted student achievement before more money is expended.

Thank you to all the legislators that serve on this committee. You have all done a wonderful job in providing for all schools in North Dakota. You now have the unenviable task of determining the viability of alternative compensation. I would be happy to provide any further information as requested.

Rob Lech

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## NATIONAL CENTER ON PERFORMANCE INCENTIVES PROJECT ON INCENTIVES IN TEACHING (POINT)

Note: For those using this synopsis for talking points, I provided a very basic reference throughout the document. It is either taken verbatim from the study or with very general modifications for the sake of clarity. An even more succinct breakdown is provided at the very end of this document with the key highlights.

### **INTRODUCTION AND POINT BREAKDOWN**

The Project on Incentives in Teaching (POINT) was a three-year study in the Metropolitan Nashville School System (MNSS) from the 2006/2007 school year through the 2008/2009 school year. Teachers volunteered to be part of the controlled experiment to determine if financial awards for teachers would be an effective intervention that would result in increased gains on standardized tests, specifically the Tennessee Comprehensive Assessment Program (TCAP) - (Executive Summary xi).

The ultimate purpose of modifying teacher compensation is to improve student outcomes. Growth on the TCAP was ultimately used as the measure because if incentives were going to have an impact on student achievement it would be most evident on a standardized assessment (Page 21). The study provided three school years which provided ample time to make adjustments to instruction.

The maximum bonus for a teacher was \$15,000 if the students performed at a level that historically have been reached by only the top five percent of middle school math teachers in a given year. Lesser amounts \$5,000 and \$10,000 were awarded to levels that corresponded with the 80<sup>th</sup> and 90<sup>th</sup> percentiles of the same historical distribution. It should be noted that the researchers felt that, for the majority of staff, the highest of performance incentives were "within reach" of the bonus awards (Executive Summary xi).

Two hundred and ninety six teachers participated in the initial year, but those numbers declined for various reasons (i.e. attrition, change in assignment, loss of eligibility, etc.) over the next two years. Over the three year course of the project, \$1.27 million in bonuses were provided. Sixteen teachers were one-time bonus winners, Seventeen repeated once, and eighteen won bonuses in all three years.

### **CONSIDERATIONS AND ASSUMPTIONS**

Several important considerations were listed in the study (page 3):

- Teachers would not compete against one another for bonuses.

- Awards would be made to individual teachers, not to teams or entire schools
- Teachers would be evaluated on the basis of students' progress over the year and not their incoming level of achievement.
- The performance threshold for a teacher to earn a bonus award should not be so high that the goal appeared unattainable, nor so low that total bonuses would exceed resources.
- Maximum bonuses should be large, providing strong motivation to improve performance.

One of the most concerning assumptions of the study would be that treatment teachers in some way would manipulate the class rosters (page 14) or inappropriately administer or blatantly change/give answers (page 17-19) to increase the chance of achieving performance levels and bonus pay. Measures were put in place to decrease class roster manipulation and the final results were determined to be statistically insignificant. Through statistical measures, no difference in suspect behavior on test administration or blatant cheating was shown between the test and control group (page 19).

## **STUDENT RESULTS**

The results at each grade level are available in graph form on pages 26-28. According to the authors of the study, there were more bonuses than expected based on the district's historical performance, however, this was due to the rise of performance overall as showcased by similar improvement in both the control and treatment group (Page 25). In fact, the treatment effect across grades 5-8 was a statistically insignificant 0.04 with a standard error of 0.02 (Page 29).

It shouldn't be assumed that no growth was shown, however. While results in grades 6, 7, and 8 are insignificant, grade 5 showed an increase of 0.18 units on the TCAP criterion referenced test score (CRCT) scale in year 2 and 0.20 units in year 3 (page 29). However, these results were also found in science and social studies testing in some of the years. More significantly, the gains do not persist for the students after the 5<sup>th</sup> grade year. By the end of the 6<sup>th</sup> grade year, it does not matter whether a student was involved in the treatment or control group (page 30).

The authors studied why grade 5 showed more growth than the other grade levels and determined that teaching multiple subjects in a self-contained classroom, changes in teacher's assignments and improved curricular alignment provide for some, but not all of the reasons for the increase. Overall, the authors could not find a correlation between the increase and any factor, including increased teacher compensation (page 36).

## **TEACHER IMPACT AND ATTITUDES**

Teachers that participated in the study generally felt that the most effective teachers should receive additional pay, and that attitude remained relatively unchanged throughout the study. Also relatively unchanged was the teacher disagreement that standardized test scores were an appropriate measure of teacher effectiveness (page 38).

Teachers eligible for the bonuses did not differ from those that did not on practices ranging from effort to instructional practices. Essentially, the bonus had little effect on what the teachers did (page 42).

## **PRINCIPAL FINDINGS OF POINT PROJECT**

The principal findings of the POINT project, as it relates to student achievement are (pages 43-44):

- There is no significant difference overall between students whose teachers were eligible to receive bonuses and those whose teachers were assigned to the control group.
- No significant difference in any single year was found, nor were there significant differences for students in grades 6-8 when effects were estimated for each grade level.
- There were significant positive effects to achievement scores for those students with teachers eligible for bonuses in the second and third years in grade 5.
- The effects for this fifth grade cohort, appears to not sustain after the grade 5 year.
- There was also a correlation between achievement in social studies and science and the grade 5 cohort.
- Given the limited scope of the effects and the apparent lack of persistence, the authors conclude the POINT intervention did not lead overall to large, lasting changes in student achievement as measured by the TCAP.

## **HIGHLIGHTS**

A three-year study on the effects of alternative teacher compensation on student achievement in mathematics was conducted by the National Center on Performance Incentives in Tennessee. It was determined that even with a significant financial incentive of \$15,000, no significant difference was seen between those eligible for the award and the control group. In addition, the teacher's attitude and teaching practice saw relatively no change.

One grade level, fifth grade, did see improvements in years 2 and 3 of the study, but was not sustained beyond that grade. The researchers could not tie the achievement to the alternative compensation model.



The researchers do not discount that an appropriate model that impacts student achievement is possible; however, they believe that education should approach alternative compensation for teachers with great care and trepidation.



NATIONAL CENTER ON  
Performance Incentives

PROJECT ON INCENTIVES IN TEACHING

POINT

# Teacher Pay for Performance

Experimental Evidence from the  
Project on Incentives in Teaching

Matthew G. Springer  
Dale Ballou

Laura Hamilton  
Vi-Nhuan Le  
J.R. Lockwood

Daniel F. McCaffrey  
Matthew Pepper  
Brian M. Stecher

LED BY



VANDERBILT  
PEABODY COLLEGE

IN COOPERATION WITH:



Mizzou  
University of Missouri - Columbia



# TEACHER PAY FOR PERFORMANCE:

Experimental Evidence from the  
Project on Incentives in Teaching

September 21, 2010

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This report is also available on the NCPI website at [www.performanceincentives.org](http://www.performanceincentives.org)

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The views expressed in this report do not necessarily reflect those of sponsoring agencies or individuals acknowledged. Any errors remain the sole responsibility of the authors.

## DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

The research team for this evaluation consists of a prime grantee, Vanderbilt University's Peabody College; its subcontractors, RAND Corporation, University of Missouri – Columbia, and University of Michigan. None of these organizations or their key staff members has financial interests that could be affected by findings from the study. No one involved in the content of this report have financial interests that could be affected by findings from the study.

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## FOREWORD

The Project on Incentives in Teaching (POINT) was a three-year study conducted in the Metro-Nashville Public Schools from 2006-07 through 2008-09. Middle school mathematics teachers voluntarily participated in a controlled experiment to assess the effect of offering financial rewards to teachers whose students showed unusual gains on standardized tests. This report contains a description of the project and a summary of the principal effects of the incentives on student achievement.

A longer, more comprehensive report will appear within the next few months. The longer report will contain an exhaustive description of data collection and a more elaborate analysis of teachers' responses to surveys that asked about their attitudes toward incentive pay, their perceptions of school climate, and changes in their behavior over the course of the experiment. We have made the decision to go forward with a shorter, more focused report at this time given the intense interest in this topic in education policy circles.

While this document is shorter than the full report to come, this should not be taken to mean that it is unduly simplified. The issues involved in analyzing the impact of incentives in POINT are complex, and much of the discussion is necessarily technical.

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## EXECUTIVE SUMMARY

The Project on Incentives in Teaching (POINT) was a three-year study conducted in the Metropolitan Nashville School System from 2006-07 through 2008-09, in which middle school mathematics teachers voluntarily participated in a controlled experiment to assess the effect of financial rewards for teachers whose students showed unusually large gains on standardized tests. The experiment was intended to test the notion that rewarding teachers for improved scores would cause scores to rise. It was up to participating teachers to decide what, if anything, they needed to do to raise student performance: participate in more professional development, seek coaching, collaborate with other teachers, or simply reflect on their practices. Thus, POINT was focused on the notion that a significant problem in American education is the absence of appropriate incentives, and that correcting the incentive structure would, in and of itself, constitute an effective intervention that improved student outcomes.

By and large, results did not confirm this hypothesis. While the general trend in middle school mathematics performance was upward over the period of the project, students of teachers randomly assigned to the treatment group (eligible for bonuses) did not outperform students whose teachers were assigned to the control group (not eligible for bonuses). The brightest spot was a positive effect of incentives detected in fifth grade during the second and third years of the experiment. This finding, which is robust to a variety of alternative estimation methods, is nonetheless of limited policy significance, for as yet this effect does not appear to persist after students leave fifth grade. Students whose fifth grade teacher was in the treatment group performed no better by the end of sixth grade than did sixth graders whose teacher the year before was in the control group. However, we will continue to investigate this finding as further data become available, and it may be that evidence of persistence will appear among later cohorts.

The report is divided into six sections. After a brief introduction, Section II describes the design and implementation of POINT. In POINT the maximum bonus an eligible teacher might earn was \$15,000—a considerable increase over base pay in this system. To receive this bonus, a teacher's students had to perform at a level that historically had been reached by only the top five percent of middle school math teachers in a given year. Lesser amounts of \$5,000 and \$10,000 were awarded for performance at lower thresholds, corresponding to the 80th and 90th percentiles of the same historical distribution. Teachers were therefore striving to reach a fixed target rather than competing against one another—in principle, all participating teachers could have attained these thresholds.

It is unlikely that the bonus amounts were too small to motivate teachers assigned to the treatment group. Indeed, a guiding consideration in the design of POINT was our desire to avoid offering incentives so modest that at most a modest response would result. Instead, we sought to learn what would happen if incentives facing teachers were significantly altered. Was the bar set too high, discouraging teachers who felt the targets were out of reach? We devote considerable attention to this question in Appendix A, examining performance among teachers who were not eligible for bonuses (POINT participants prior to the implementation of the project, and control teachers during the project). We find that about half of these teachers could reach the lowest of the bonus thresholds if their students answered 2 to 3 more questions correctly on an exam of some 55 items. We conclude

that the bonus thresholds should have appeared within reach of most teachers and that an attempt to raise performance at the margin ought not to have been seen as wasted effort by all but a few teachers “on the bubble.”

In Section III we consider other threats to the validity of our findings. We investigate whether randomization achieved balance between treatment and control groups with respect to factors affecting achievement other than the incentives that POINT introduced. While balance was achieved overall, there were differences between treatment and control groups within subsamples of interest (for example, among teachers within a single grade). Statistical adjustments through multiple regression analysis are required to estimate the effect of incentives in such subsamples. As always, this raises the possibility that different models will yield different findings. Thus, we place greatest confidence in estimates based on the overall sample, in which data are pooled across years and grades.

POINT randomized participating teachers into treatment and control groups. It did not randomize students. Because the assignment of students to teachers was controlled by the district, it is possible that principals and teachers manipulated the assignment process in order to produce classes for treatment teachers that enhanced their prospect of earning a bonus. In addition, attrition of teachers from POINT was high. By the end of the project, half of the initial participants had left the experiment. Such high rates of attrition raise the possibility that our findings could reflect differential selection (for example, more effective teachers might remain in the treatment group than in the control group).

We conducted a variety of analyses to ascertain whether differential attrition or the manipulation of student assignments biased our results. We conclude that neither produced significant differences between treatment and control groups and that experimental estimates of the incentive effect are free of substantial bias. In addition, to remove the impact of differences between the teachers and students assigned to treatment and control that arose by chance, we estimate treatment effects using models in which we control for student and teacher characteristics. Our conclusions about the overall effect of incentives are robust to the omission of such controls: a straightforward comparison of mean outcomes in the treatment and control groups and estimates from the more complicated model both show no overall treatment effect. This is not true of estimates based on subsets of the full sample—for example, outcomes by grade level. At the grade level there were substantial imbalances between treatment and control groups whose influence on achievement must be controlled for.

It is also possible that test score gains were illusory rather than proof of genuine achievement. This would obviously be the case if treatment teachers engaged in flagrant forms of cheating to promote their chances of earning a bonus. But it might also result from the adoption of instructional strategies intended to produce short-term gains on specific test instruments. Our investigation (including a statistical analysis of item-level responses) does not reveal this to have been a problem, though we have not had access to test forms in order to look for suspicious patterns of erasures.

In Section IV we present our findings. As already noted, we find no effect of incentives on test scores overall (pooling across all years and grades). We do find a positive effect among fifth graders whose teachers were eligible for bonuses. We have explored a variety of hypotheses that might account for

a positive effect in grade 5 but not the other grades. Only one seems to have played an appreciable role: fifth grade teachers are more likely to instruct the same set of students in multiple subjects. This appears to confer an advantage, though it is unclear precisely what the advantage consists of—whether it is the opportunity to increase time on mathematics at the expense of other subjects, or the fact that these teachers know their students better, or something else. And even this is at best a partial explanation of the fifth grade response.

POINT participants (both treatment and control teachers) completed surveys each spring over the course of the project. In Section V we summarize some of the findings, focusing on two issues: (1) how teachers' attitudes toward performance pay were affected by POINT; and (2) why we found no overall response to incentives.

Participating teachers generally favored extra pay for better teachers, in principle. They did not come away from their experience in POINT thinking the project had harmed their schools. But by and large, they did not endorse the notion that bonus recipients in POINT were better teachers or that failing to earn a bonus meant a teacher needed to improve. Most participants did not appear to buy in to the criteria used by POINT to determine who was teaching effectively. Perhaps it should not be surprising, then, that treatment teachers differed little from control teachers on a wide range of measures of effort and instructional practices. Where there were differences, they were not associated with higher achievement. By and large, POINT had little effect on what these teachers did in the classroom.

In the concluding section, we summarize our main findings and explore their implications for education policy. The introduction of performance incentives in MNPS middle schools did not set off significant negative reactions of the kind that have attended the introduction of merit pay elsewhere. But neither did it yield consistent and lasting gains in test scores. It simply did not do much of anything. While it might be tempting to conclude that the middle school math teachers in MNPS lacked the capacity to raise test scores, this is belied by the upward trend in scores over the period of the project, a trend that is probably due to some combination of increasing familiarity with a criterion-referenced test introduced in 2004 and to an intense, high-profile effort to improve test scores to avoid NCLB sanctions.

It should be kept in mind that POINT tested a particular model of incentive pay. Our negative findings do not mean that another approach would not be successful. It might be more productive to reward teachers in teams, or to combine incentives with coaching or professional development. However, our experience with POINT underscores the importance of putting such alternatives to the test.

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## I. INTRODUCTION

Despite the rocky history of merit pay in public schools, interest in tying teacher compensation to performance has revived, with the federal government taking a leading role in promoting compensation reform as a way to improve educational outcomes. With the expansion of standardized testing in systems of school accountability, the notion that teachers should be compensated (in part) on the basis of students' test score gains or more sophisticated measures of teacher value added has gained currency. However, the idea is controversial. Apart from debate over whether this is an appropriate way to measure what teachers do, it is not known how well this policy works in its own terms. If teachers are rewarded for an increase in student test scores, will test scores go up?

To test this proposition, the National Center on Performance Incentives (NCPI) partnered with the Metropolitan Nashville Public Schools (MNPS) to conduct the Project on Incentives in Teaching, or POINT. POINT was designed as a controlled experiment. Approximately half the teachers volunteering to participate were randomly assigned to a treatment group, in which they were eligible for bonuses of up to \$15,000 per year on the basis of student test-score gains on the Tennessee Comprehensive Assessment Program (TCAP). The other half were assigned to a control group that was not eligible for these bonuses. Because assignment to these conditions was random, there should be no systematic differences in the effectiveness of the teachers in the two groups apart from differences induced by the incentives. Better student outcomes in the treatment group would therefore be evidence that such incentives work: tying pay to an improvement in tests scores results in higher scores.

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## II. DESIGN AND IMPLEMENTATION OF POINT

Several important considerations influenced the design of the experiment<sup>1</sup>

- Teachers would not compete against one another for bonuses.
- Awards would be made to individual teachers, not to teams or entire schools.
- Teachers would be evaluated on the basis of students' progress over the year and not their incoming level of achievement.
- The performance threshold for a teacher to earn a bonus award should not be so high that the goal appeared unattainable, nor so low that total bonuses paid out would exceed NCPI resources.
- Maximum bonuses should be large, providing strong motivation to improve performance.

The POINT experiment was open to middle school (grades 5, 6, 7, and 8) mathematics teachers working in the MNPS district during the fall of the 2006-07 school year. Teachers could teach other subjects than math, but they needed at least ten students taking the mathematics TCAP to participate. All teacher volunteers had to sign up in the first year of the experiment. Late enrollments were not permitted, nor were teachers who left the experiment permitted to re-enroll. Assignments to treatment (eligible for bonuses) and control (not eligible) groups were permanent for the duration of the project. Participating teachers could remain in the experiment even if they transferred schools as long as they continued to teach mathematics to at least one middle school grade in MNPS and remained above the ten-student threshold.

To determine whether a teacher qualified for an award we used a relatively simple measure of teacher value-added. While more complicated and sophisticated measures could have been chosen (cf. Sanders, Saxton, and Horn, 1997, McCaffrey et al, 2004, Harris and Sass, 2006, Lockwood et al, 2007), simplicity and transparency seemed desirable. First, we needed to attract a sufficient number of volunteers to the program. Awarding bonuses on the basis of measures no one could understand struck us as unhelpful. Second, we felt a transparent measure of performance would give teachers the best opportunity to see why they had or had not received a bonus, and if they had not, by how much they fell short. This might in turn provide stronger motivation to improve than if we were to use a less transparent measure.

Our value-added measure was based on students' year-to-year growth on TCAP. To control for the possibility that students at different points in the distribution of scores are likely to make different

---

<sup>1</sup> Research has shown that teachers' responses to pay for performance are associated with the perceived fairness of their evaluations and with whether the targets are seen to be realistic (Kelley, Heneman & Milanowski, 2002; Milanowski, 2000). In addition, teachers and others have expressed concerns about negative effects of pay for performance on collegiality (Milanowski & Gallagher, 2000; Kellor, 2005), particularly in light of research that suggests the importance of collegiality and trust among school staff in promoting student learning (Rowan et al., 2002; Bryk & Schneider, 2002).

<sup>2</sup> Some smoothing of the state means was done to compensate for erratic patterns at the extremes of the distribution, where the number of scores can be quite small, even for the entire state.

gains, we benchmarked each student's gain against the average gain, statewide, of all students taking the same test with the same prior year score.<sup>2</sup> Benchmarking was simple: we subtracted the statewide average gain from a student's own gain to find out by how much his growth had exceeded the state average. Finally, we averaged these benchmarked scores over a teacher's class—more precisely, over students continuously enrolled in the teacher's class from the twentieth day of the school year to the spring TCAP administration, and for whom we had the prior year scores needed for benchmarking. This average was the value-added score used to determine whether the teacher qualified for a bonus.

To determine the thresholds that teachers' performance measures would need to reach to qualify for bonuses, we calculated the same performance measures for district teachers of middle school mathematics in the two years immediately prior to POINT, 2004-05 and 2005-06. We then set three thresholds based on the distribution of these measures: one at the 80th percentile, a second at the 85th percentile, and a third at the 95th percentile. Teachers whose performance during POINT reached the lowest of these thresholds were eligible for a \$5,000 bonus. Those reaching the middle threshold were eligible for \$10,000, and those reaching the highest threshold were eligible for \$15,000.

It may be wondered whether we set the bar so high that few teachers would be motivated to change their instructional practices or raise their level of effort—that most teachers would regard the performance targets as unattainable no matter what they did, while others with strong prior performance would decide they did not need to make any changes in order to obtain bonuses. We have conducted an extensive analysis of this issue. In fact, neither statement appears to have been true of most teachers, to judge from performance in the pre-POINT years. Teachers' subjective probabilities of earning a bonus, as recorded on annual surveys given to POINT participants, strengthen this conclusion. Few thought they had no chance of winning a bonus or that it was a sure thing. (For complete analysis of this question, see Appendix A.)

Many MNPS middle school teachers, particularly in grades 5 and 6, teach subjects other than mathematics. Tying bonuses solely to mathematics test scores might encourage them to neglect other subjects. To safeguard against this, we calculated an analogous benchmarked performance measure for each teacher in all four tested subjects, including reading/English language arts, science, and social studies. To receive the full bonus for which a teacher qualified on the basis of the mathematics performance measure, it was necessary to match or exceed the district's mean benchmarked performance on the other measures in all the subjects for which the teacher provided instruction. Falling short of that goal cost the teacher a prorated portion of the mathematics bonus based on the proportion of her students tested in other subjects.

Participants were randomized into treatment and control groups using a two-stage process. First, schools were stratified into ten groups based on student TCAP scores in prior years. Randomization was done within strata to ensure balance between treatment and control groups (*e.g.*, a disproportionate number of teachers in the highest performing schools being assigned to the treatment group by chance). Second, clusters of teachers rather than individual teachers were assigned to treatment or control status. Clusters were based on four course-groups: grade 5 and 6 mathematics classes, grade 7 and 8 mathematics classes, special education mathematics classes, and algebra or more ad-

vanced mathematics classes. Each teacher was associated with one of these groups, based on the courses taken by most of her students. A cluster was the set of teachers in a given school in the same course group. Clusters of the same type from the various schools within each stratum were combined to create blocks and within each block half of the clusters were randomly selected to be part of the treatment group and the other half were assigned to the control group. Because not every cluster appeared in every school, randomization occurred within 37 blocks. Slight deviations from this procedure were adopted to ensure that every school had at least one treatment teacher.<sup>3</sup>

## IMPLEMENTATION

Two-thirds of the district's eligible middle school mathematics teachers volunteered to participate in POINT. Two hundred and ninety six teachers participated in the study in the beginning of the 2006-2007 school year though only 148 remained through the end of the third year. (See below for a discussion of attrition.) Each POINT teacher received a stipend of up to \$750 for each year of participation in the experiment. This payment was to encourage even those volunteers assigned to the control condition to participate in various kinds of data-collection activities, as well as to mitigate negative reactions from being assigned to the control group. The stipend amount was reduced if teachers did not complete all of these activities. Teachers were notified of their stipend awards in letters sent out in the summer, with stipends paid in the late summer.

NCPI determined bonus awards and paid them to treatment teachers each year of the study. A careful audit of the rosters of treatment teachers was conducted at the beginning of each year to ensure that teachers were not held accountable for students not in their classes the requisite portion of the school year.<sup>4</sup> In late summer of 2007, 2008, and 2009, NCPI calculated the performance measures and bonus awards following the formula and methods described above. Confidential bonus reports were prepared for each treatment group teacher. Each report showed how the teacher's performance measure was calculated and whether that measure exceeded any of the thresholds entitling the teacher to a bonus. A roster of the student scores (without student names) used to calculate the teacher's performance measure was also provided. Bonus reports were mailed to treatment group teachers in September 2007, 2008, and 2009. Bonus awards were distributed to qualifying teachers in November paychecks.<sup>5</sup>

Over the three years the experiment ran, POINT paid out more than \$1.27 million in bonuses. A breakdown by year and bonus level appears in Table 1. Sixteen teachers were one-time bonus winners, 17 repeated once, and 18 won bonuses in all three years. In all, 51 or 33.6 percent of the initial treatment group of 152 teachers received a bonus over the course of the experiment.

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<sup>3</sup> We randomized by clusters to allow for an analysis of experimental outcomes that would be robust to efforts by treatment teachers to manipulate their student assignments (a form of system gaming). We do not present estimates based on cluster-level analyses in this paper and for that reason do not discuss it further here. For additional details and estimates that exploit this feature of the randomization scheme, please see the forthcoming longer report on POINT.

<sup>5</sup> This brief description of the project necessarily omits many details, including a full account of data collection activities and documentation of the variables used in the analysis below. For this additional information, see the longer forthcoming report.

TABLE 1.  
Bonus Awards by Year

	School Year		
	2006-07	2007-08	2008-09
# treatment teachers	143	105	84
# bonus recipients	41	40	44
# at \$5,000	10	4	8
# at \$10,000	17	15	23
# at \$15,000	14	21	13
Average bonus award	\$9,639	\$11,370	\$9,623
<b>Total amount awarded</b>	<b>\$395,179</b>	<b>\$454,655</b>	<b>\$423,412</b>

From an implementation standpoint, POINT was a success. This is not a trivial result, given the widespread perception that teachers are adamantly opposed to merit pay and will resist its implementation in any form. On surveys administered to participants each spring, both treatment and control teachers expressed moderately favorable views toward performance pay in general, though less so for POINT in particular. Although they became somewhat less positive over the course of the experiment, it was by no means the case that once they became familiar with the operation of the program, they turned against it en masse. The program ran smoothly. There were no complaints from teachers that they had not received the bonus they should have, and few questions about why they were not entitled to a bonus. Teachers did not question the fairness of the randomization process or the criteria used to determine bonus winners. There were no efforts to sabotage POINT that came to our attention. Names of bonus winners were not leaked to the media. Performance measures were not made public (a fear expressed by some teachers in pre-implementation focus groups).

No doubt some of the ease with which POINT ran was due to the understanding that this was an experiment intended to provide evidence on whether such performance incentives will raise achievement. Even teachers skeptical of the merits of the policy saw the worth in conducting the experiment. We believe there is an important lesson here: teachers may be more likely to cooperate with a performance pay plan if its purpose is to determine whether the policy is a sound idea than they are with plans being forced on them in the absence of such evidence and in the face of their skepticism and misgivings.

### III. THREATS TO VALIDITY

In this section we examine two threats to the validity of our conclusions. First, though POINT was designed as a controlled experiment, for various reasons treatment and control groups may not have been equivalent on all relevant factors influencing student outcomes. Second, outcomes themselves are subject to manipulation, with the consequence that measured gains on standardized tests may not be valid indicators of how much students learned. We consider these in turn.

#### IMBALANCE BETWEEN TREATMENT AND CONTROL GROUPS

In an ideal experiment, the effect of treatment (in this case, being eligible for bonuses) can be inferred from a simple comparison of outcomes in the treatment and control groups. If the two groups are equivalent with respect to all relevant background factors, outcomes in the control group represent what would have been observed among treatment subjects in the absence of treatment. However, as with many studies involving human subjects, complicating factors can interfere with this equivalence. (1) Randomization may fail to achieve equivalence between treatment and control groups. (2) The assignment of students to teachers can be manipulated to improve treatment teachers' opportunity to earn bonuses, thus causing outcomes in the treatment group to differ from those in the control group for reasons other than instructional effectiveness. (3) Teacher attrition from the study can also make treatment and control groups non-equivalent. We begin by reviewing the extent to which each of these is a potential source of concern. We then review the evidence on whether problems of imbalance materialized.

The potential for imbalance

*Problems with randomization.* Though teachers were randomly assigned to treatment and control groups, imbalance can arise when the number of experimental subjects is small. The smaller the size of the groups, the greater the probability that chance can produce dissimilar groups. In POINT, treatment and control groups were reasonably well balanced overall on characteristics affecting student achievement. However, this was not the case for all subsets of participants (e.g., teachers of students at a particular grade level), where small numbers become a greater problem. To estimate the effect of treatment in such subsets, it is necessary to control for a variety of potentially confounding factors in order to remove the influence of pre-existing differences between treatment and control groups.

*Assignment of students to teachers.* POINT randomized participating teachers into treatment and control groups, but not their students. Because the assignment of students to teachers was controlled by the district, it is possible for principals and teachers to have manipulated the assignment process to produce classes for treatment teachers that enhanced their prospect of earning a bonus. This could involve changing the courses a teacher is assigned, if it is thought to be easier to produce gains in some courses than others. Or it might involve nothing more than removing a disruptive student from a class or transferring students out of courses in which they are not doing well. If principals received more requests of this kind from treatment teachers, or if they accommodated a greater per-

centage of requests from this group, systematic differences might have been introduced between treatment and control classes that would bias estimates of the effect of incentives.

Widespread system gaming on a scale that would reveal principals to be playing favorites among their staff seems to us unlikely, particularly on behalf of a set of teachers already benefiting from the chance to earn bonuses. For additional protection against this possibility, we took the following steps: (1) Principals were explicitly asked to run their schools during the POINT years just as they would have in the absence of an experiment; (2) Principals were not informed (by us) which of their faculty were participating in the experiment and whether they were treatment or control teachers; and (3) Participating teachers were required to sign a declaration that they would not reveal to other employees of the school system whether they had been assigned to the treatment or the control group. We also pointed out that by keeping this information to themselves, they could avoid having to answer potentially awkward questions about whether they had earned a bonus.

We are unsure how effective these efforts were. On a survey administered to POINT teachers in the spring of the experiment's third year, 72 percent of treatment teachers who were not themselves bonus winners, along with 81 percent of control teachers, indicated that they did not know whether anyone in their school won a bonus based on results in the previous year. This, in addition to limited anecdotal evidence that came our way, indicated that we were certainly not 100 percent effective in keeping the identities of treatment teachers secret. Even if principals did not know whether particular teachers were eligible for bonuses, they could have unwittingly abetted efforts to game the system by approving requests that treatment teachers were able to portray as educationally sound—for example, assigning a teacher to a course in which the teacher deemed herself more effective, or moving a struggling or disruptive student out of a particular class.

*Teacher attrition.* Teachers participating in POINT left the study at a very high rate, with just more than half remaining through the third year. Most of this attrition was teacher initiated, although teachers with fewer than 10 math students were dropped from the experiment. Year-by-year attrition is shown in Table 3. Note the spike in year 2 of the experiment. Some (though certainly not all) of this spike is the result of granting teachers with fewer than 10 math students in 2006-07 a one-year reprieve, with the consequence that a disproportionate number of teachers who did not meet this requirement for a second year were dropped from the experiment at the beginning of 2007-08. Substantially more control than treatment teachers left in year 2, though that was reversed somewhat in the third year.



TABLE 2.

Number of Teachers Who Dropped Out of the POINT Experiment by Treatment Status and School Year

Experimental Group	School Year		
	2006-07	2007-08	2008-09
Control	2	58	18
Treatment	3	42	23

Teachers dropped out for a variety of reasons, most frequently because they left the district, stopped teaching middle school mathematics—although they remained teaching in the middle schools—or moved to elementary or high schools in the district. While there were some differences between the reasons given by treatment and control teachers, they were not statistically significant.

TABLE 3.

Reasons for Attrition by Treatment Status

	Reason for Attrition						
	Change in Assignment				NCPI Initiated		
	In MNPS, Not Teaching	Retired	Moved to HS or ES*	Left MNPS	Still Teaching, not Math	Dropped from Experiment <sup>a</sup>	<10 Math Students
Control	8	0	14	27	18	1	10
Treatment	14	2	11	15	18	1	7

<sup>a</sup>One teacher declined to participate in the surveys and other aspects of the study and was dropped from the experiment; the other teacher was a long-term substitute who was not eligible and was dropped when status was revealed.

\*HS - high school; ES - elementary school

Teachers who left the study tended to differ from stayers on many of the baseline variables. Teachers who dropped out by the end of the second year of the experiment were more likely to be black, less likely to be white. They tended to be somewhat younger than teachers who remained in the study all three years. These dropouts were also hired more recently, on average. They had less experience (including less prior experience outside the district), and more of them were new teachers without tenure compared to teachers who remained in the study at the end of the second year. Dropouts were more likely to have alternative certification and less likely to have professional licensure. Their pre-POINT teaching performance (as measured by an estimate of 2005-06 value added) was lower than that of retained teachers, and they had more days absent. Dropouts completed significantly more mathematics professional development credits than the teachers who stayed. Dropouts also tended to teach classes with relatively more black students and fewer white students. They were more likely to be teaching special education students. A smaller percentage of their students were in math (as one would expect, given that teachers were required to have at least 10 mathematics students to remain in the study).

Teachers who dropped out in the third year of POINT were slightly more likely to be white than previous dropouts and somewhat less likely to hold alternative certification. They tended to teach somewhat greater percentages of white students. Differences between dropout and retained teachers on these dimensions therefore diminished from year 2 to year 3 of the study.

### Evidence of imbalance

All three of the foregoing—randomization with small numbers of experimental subjects, purposive assignment of students to teachers, and attrition—are potential sources of imbalance between treatment and control groups. All could cause student achievement to differ for reasons other than the responses of bonus-eligible teachers to incentives. How great were the resulting imbalances? We consider two kinds of evidence: (1) Observable differences between the characteristics of students and teachers in the treatment and control groups during POINT operation, 2006-07 through 2008-09; (2) Differences in student outcomes during the two years prior to POINT, 2004-05 and 2005-06. Differences that appeared during POINT are the most immediately germane to the question: does the control group represent a valid counterfactual for the treatment teachers? Student assignments change; differences observed during the pre-POINT years would not necessarily have continued into the POINT period. However, pre-POINT discrepancies in achievement are still of interest, given that some of these discrepancies may be caused by persistent factors for which we are imperfectly able to control. The advantage of the pre-POINT comparison is that we are not limited to comparing treatment to control groups on observable factors believed to influence achievement. All factors that affect test scores are implicitly involved in such a contrast.

*Differences between treatment and control groups during POINT.* Table 4 below compares treatment to control groups on a range of teacher characteristics. Teacher means are weighted by the number of students assigned to the teacher at the start of the school year.<sup>6</sup> These weighted background variables are very similar for treatment and control group teachers at the start of the study. The only significant difference was in the percentage of English Language Learners (ELL): treatment teachers' classes contained somewhat greater proportions of ELL students than those of control teachers. Over time, as a result of attrition, the treatment group came to have a higher proportion of students taught by female teachers and black teachers. Weighted means for the treatment group with respect to year hired, professional development credits, and days absent were significantly greater than the corresponding means for the control group in years 2 and 3. However, the differences are substantively small: half a day more of absences, a third of year in year hired. Importantly, no significant differences emerge in the variables that are arguably the most directly related to the experimental outcome: the estimate of teacher value added from the 2005-06 school year, and mean prior-year student scores in math and reading.

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<sup>6</sup> The adjusted group mean difference was estimated by a linear regression (or logistic regression model for dichotomous outcomes) that controlled for randomization block. The adjusted differences were standardized by the square root of the pooled within group variance. Standard errors for the adjusted differences account for clustered randomization of teachers.

TABLE 4.  
Standardized Adjusted Treatment Versus Control Group Mean Differences Weighted by  
Number of Students Taught

	Year 1	Year 2	Year 3
<i>Teacher Demographics</i>			
Female	0.03	0.28 <sup>†</sup>	0.35 <sup>*</sup>
Race			
White	-0.03	-0.14	-0.11
Black	0.08	0.23 <sup>†</sup>	0.21
Year of birth	-0.18	-0.10	-0.12
<i>Preparation and Licensure</i>			
Undergraduate mathematics major	0.03	0.12	0.01
Undergraduate mathematics major or minor	0.15	0.25	0.22
Undergraduate mathematics credits	0.10	0.10	0.08
Highest degree			
Bachelor's only	-0.03	-0.04	-0.17
Master's only	0.18	0.16	0.26
Master's plus 30 credits or advanced degree	-0.19	-0.16	-0.11
Alternatively certified	-0.18	-0.15	-0.11
Professional licensure	-0.06	-0.04	0.03
<i>Teaching Experience</i>			
Year hired	-0.15	-0.17	-0.34 <sup>†</sup>
Years experience	0.10	0.07	0.07
New teacher	0.09	0.14	0.10
Tenured	-0.09	-0.08	-0.08
<i>Professional Development</i>			
Total credits, 2005-06	-0.17	0.01	-0.07
Core subject credits, 2005-06	-0.08	0.02	0.02
Mathematics credits, 2005-06	-0.15	-0.02	0.08
<i>Teacher Performance</i>			
Mathematics value added, 2005-06 school year	0.08	-0.02	-0.07
Days absent, 2005-06 school year	0.11	0.29 <sup>†</sup>	0.45 <sup>**</sup>
<i>Teaching Assignment, Course Description</i>			
Percentage of students in mathematics courses	0.08	0.09	0.22 <sup>†</sup>
<i>Teaching Assignment, Student Characteristics</i>			
Percentage white students	-0.01	0.02	0.00
Percentage black students	-0.11	-0.18	-0.12
Percentage special education students	0.00	0.04	0.01
Percentage English Language Learner students	0.22 <sup>*</sup>	0.30 <sup>**</sup>	0.21 <sup>†</sup>
Students' average prior year TCAP reading scores <sup>c</sup>	-0.03	0.03	0.06
Students' average prior year TCAP mathematics scores <sup>c</sup>	0.04	0.11	0.14

† p < 0.10, \* p < 0.05, and \*\* p < 0.01.

More signs of imbalance are evident in grade-level versions of Table 4 (see Appendix Tables B-1 – B-4). At the grade level differences between treatment and control groups are more pronounced and appear in variables that are arguably more central to our analysis. For example, grade 6 treatment teachers had higher pre-POINT value added than controls. The reverse was true in grade 7. Because these are observable differences between the groups, we can control for them when estimating the effect of treatment. Such controls are particularly important when the analysis is done at the grade level. However, that such discrepancies are evident in observable teacher characteristics raises the possibility that treatment and control groups differ with respect to unobservable determinants of achievement as well.

Table 5 compares the students in the treatment and control groups on their mathematics achievement in the last year before entering the POINT experiment (see Figure 1 for details on the years and grades of these measurements).<sup>7</sup> The differences were adjusted for the randomization block and the standard errors control for the cluster random design and the nesting of students within teachers (and, in column one, teacher by grade combinations). When the comparison is over all grades (column one), treatment and control groups have very similar levels of achievement before the study. Substantially greater differences are evident when the comparison is done at the grade level, with a difference of more than a quarter of a standard deviation in favor of the treatment group in grade 5 in 2007 and an equally large difference in favor of the control group in grade 7 in 2008. These differences underscore the importance of controlling for student characteristics like prior achievement when estimating treatment effects at the grade level.

TABLE 5.  
Treatment vs. Control Group Differences in Math Achievement Prior to POINT

	Grade Level				
	All	5	6	7	8
Year 1	0.05 (0.06)	0.27* (0.10)	-0.03 (0.11)	-0.07 (0.13)	-0.09 (0.13)
Year 2	-0.11 (0.07)	-0.01 (0.13)	-0.11 (0.13)	-0.27† (0.15)	-0.08 (0.15)
Year 3	-0.03 (0.07)	-0.02 (0.13)	0.00 (0.12)	-0.08 (0.16)	-0.03 (0.13)

† p < 0.10, \* p < 0.05, and \*\* p < 0.01.

<sup>7</sup> The comparisons in Table 5 differ from the comparisons of students' prior achievement in Table 4 because the data in Table 5 are student level whereas the data in Table 4 are teacher level, in which averages are calculated by teacher and then weighted by grade. Due to the way these weights are calculated, the results are not equivalent to averaging over all students.

*Differences in achievement of students assigned to treatment and control teachers prior to POINT.* Table 5 compares the pre-POINT achievement of students assigned to the classes of participating POINT teachers during the experiment. However, it is also of interest to compare the achievement of the students assigned to treatment and control teachers in the years before the experiment, given that such discrepancies may be caused by factors persisting into the POINT years. For this comparison we include only those students who were in a teacher's classroom from at least the twentieth day of the school year to the testing date. As we will be limiting our sample to this group when we analyze outcomes under POINT, it is reasonable to employ the same restriction when asking whether outcomes differed between treatment and control groups prior to the experiment. The labels treatment and control during these years reflect the status teachers will have when the experiment starts. Thus, they are literally "future treatment" and "future control" teachers. Not all POINT participants taught middle school mathematics during these years; however, there is no reason to expect any systematic differences between the subset of treatment teachers for whom we have data in those years and their counterparts among the control group. The comparison of pre-experimental outcomes is reassuring. The differences are small and statistically insignificant in both years (-.03 in 2005 and .06 in 2006).<sup>8,9</sup>

This is not true of comparisons at the grade level, particularly in 2005, when there were differences of at least .2 standard deviations between mean achievement in treatment and control groups in grades 5, 7, and 8. Once again, this contrast shows the importance of adjusting statistically for imbalances between groups. When we use the same adjustments on the pre-POINT data that we employ to analyze outcomes during POINT, these differences in mean achievement disappear.<sup>10</sup>

## ADDITIONAL ANALYSES OF PURPOSIVE ASSIGNMENT AND ATTRITION

Comparisons of the samples of treatment and control teachers are not the only evidence we have on the extent to which attrition or purposive assignment pose threats to the validity of conclusions from POINT. We now summarize some of this additional evidence.

*Intra-year movement of students.* If treatment teachers shed more of their low performers throughout the year, the resulting differences in performance between treatment and control groups could be mistaken for differences in instructional quality.

We have estimated equations that predict the proportion of students that "switch out" of a teacher's

<sup>8</sup> These comparisons control for randomization block and for students' grade level, but for nothing else. Random effects were assumed at the cluster level and the teacher level, with an uncorrelated student-level residual.

<sup>9</sup> TCAP scale scores have been transformed to z-scores based on student's rank-order. To remove any influence POINT may have had on the distribution of scores, the distribution of scores in penultimate pre-POINT year, 2005-06, was used for this conversion. These z-scores have substantially smaller tails than the distribution of scale scores, conforming better to the assumption of normality used both in estimation and hypothesis testing. For details on this transformation, see Section IV below.

<sup>10</sup> The adjustments in question are fixed effects for randomization blocks and random effects for clusters, for teachers, and for teachers by grade.

class during the course of a year. A student switches out if his last day in a teacher's class occurs before TCAP administration in the spring. Such a student will not count for purposes of determining a teacher's bonus. We find no evidence that treatment teachers behave more strategically than control teachers in this respect—the difference in switching out rates between the two groups is less than one percentage point and is far from statistically significant ( $p = 0.37$ ).<sup>11,12</sup>

Treatment teachers might also behave strategically by resisting the placement of new students in their classes during the school year. Even though these students won't count against a teacher for purposes of determining bonuses, they might be viewed as diluting a teacher's effort. To investigate this behavior, we estimate a model predicting the proportion of a teacher's math students that entered the class after the twentieth day of the academic year (and whose performance therefore does not count toward the bonus). The difference between treatment and control teachers was again less than one percentage point and statistically insignificant ( $p = 0.74$  for math,  $p = 0.68$  for non-math).

There remains the possibility that teachers behave strategically by requesting that struggling students be taken out of their classes. Note in this regard that a struggling student is not necessarily a student with low prior year scores. As we have already remarked, there are indications that treatment teachers would have preferred to instruct such students, expecting students with low prior scores to register the greatest gains. Moreover, when we estimate the effect of incentives, we can control for students' prior scores, so that even if teachers do attempt to screen students with a particular prior history from their classes, we can control for that student characteristic when comparing treatment to control group outcomes. More troubling would be evidence that treatment teachers attempt to shed students who are doing worse in the current year than one would expect on the basis of prior history. Systematically dropping them from the classes of treatment teachers introduces a bias in our estimate of the effect of incentives on outcomes that will be hard to correct, inasmuch as it is based on information known to the classroom instructor but not to the researcher.

Fortunately we are able to test this hypothesis using data from formative assessments in mathematics. These assessments, introduced on a limited basis in 2007-08, were given to nearly all students the following year, the third year of the experiment. Three assessments were administered, one in early fall, one in late fall, and one in the spring semester. Performance on these assessments gives us an opportunity to observe what the classroom instructor could see—a student whose mathematics performance was substantially below what would have been expected on the basis of prior TCAP scores. Using data from 2008-09, we have estimated a model in which performance on the first assessment is the dependent variable. Regressors include an indicator for students that switch out. This indicator is interacted with treatment status to see if those students leaving the classes of treatment teachers have lower scores on the first assessment than do those who leave the classes of control teachers. No significant difference was found ( $p = 0.49$ ). Nor was there a significant difference when we added a control for the prior year TCAP mathematics score ( $p = 0.27$ ). We then repeated

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<sup>11</sup> All of the regressions described in this section included block effects to control for the fact that we randomized teachers to treatment and control status within blocks. They also included year and grade effects. Standard errors were corrected for clustering.

<sup>12</sup> An analogous test for non-mathematics students had a p-value of 0.69.

this analysis, using the score on the second formative assessment as the dependent variable and including the score on the first assessment as a regressor, thereby testing whether students that appear to be on a downward trend are more likely to leave treatment classrooms than control classrooms. Once again we found no difference ( $p = 0.68$  without controls for the prior TCAP score,  $p = 0.92$  with them).

*Changes in teacher workload.* Finally, we examined several workload indicators to determine whether there were significant differences in the jobs that treatment and control teachers were doing. First, we investigated whether either group taught a greater variety of subjects, involving more preparations. We constructed a Herfindahl index of subject concentration for each teacher. For this purpose we used four broad subject indicators interacted with the four grade levels to define subjects. Thus, fifth grade science was a “subject,” as was seventh grade mathematics, etc.<sup>13</sup> We also considered whether treatment (or control) teachers simply had more students throughout the course of the year. We measured this in two ways: as a raw count of all students that showed up in their classes, and as a weighted count, where the weight represented the portion of the school year the student spent with that teacher. We looked for differences in the proportion of students in each of the four main subject areas, and in the proportion of students at each grade level. Finally, we calculated the proportion of the school year that a teacher’s students spent, on average, in that teacher’s classroom. Lower values mean more movement in and out, presumably making it more difficult for the teacher to do her job. With respect to none of these variables did we find significant differences at the 5 percent level between treatment and control teachers. Depending on the measure we use, treatment teachers have two to four fewer students than do control teachers, but this difference could easily arise by chance ( $p = 0.14$ ). Differences are small even when marginally significant. For example, treatment teachers have about two percentage points fewer social studies students ( $p = 0.08$ ).

We did, however, find that treatment teachers were less likely to switch from the school they had been teaching in at the start of the POINT experiment to another middle school. The difference in mobility rates is six percentage points ( $p = 0.01$ ). To the extent that it helps teachers to remain in a familiar setting, we would expect this to enhance the performance of treatment teachers vis-à-vis controls. Because this difference appears to have been induced by assignment to the treatment group, any resulting difference in outcomes could be viewed as part of the treatment effect. That is the viewpoint we adopt here, though we recognize that this does not represent “improved performance” in the sense that most advocates of pay for performance in education have in mind.

*Which kinds of teachers left the study?* We have conducted an extensive variable selection analysis to identify the teacher characteristics that predicted attrition from the study, testing for interaction between these variables and treatment status.<sup>14</sup> There is little evidence that dropping out was mod-

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<sup>13</sup>In principle it should be possible to construct a finer measure of concentration using course codes: thus, seventh grade algebra would not be treated as the same subject as seventh grade basic mathematics. However, discrepancies and anomalies in the coding of courses made this infeasible, with some teachers apparently assigned implausibly many subjects.

<sup>14</sup>We also tested for interaction with teachers’ gender, as exploratory analyses suggested there was a strong interaction between treatment and gender even though gender was not a significant predictor of attrition. Exploratory analyses did not suggest any other omitted interactions.

erated by experimental treatment status. Of more than 20 variables examined—including teacher gender, teacher race, educational attainment, year hired, experience, tenure status, marital status, total and mathematics professional development credits (2005-06 school year), mathematics value-added (2005-06 school year), absences (2005-06 school year), proportion white students, proportion black students, proportion special education students, proportion English Language Learners, total number of students assigned to the teacher, number of mathematics students assigned to the teachers, and students' last pre-POINT mathematics and reading scores—only gender had a significant interaction with treatment. Treatment effects were much smaller (nearly null) for male teachers than for female teachers. In short, by none of these measures is there any indication that the higher retention rate among treatment teachers was a function of teacher characteristics related to the probability of winning a bonus (experience, pre-POINT value added) or to features of a teacher's job that might have made it easier to earn a bonus (student characteristics, workload).

Teachers' attitudes about performance-based compensation and the POINT experiment could influence how they respond to the intervention. Using data from surveys administered to participants each spring, we tested whether the size of the treatment effect on the likelihood of attrition varied with the following survey constructs:

- Negative effects of POINT
- Positive perceptions of POINT
- Support for performance pay
- Extra effort for bonus
- Hours worked outside of the school day
- The teacher's estimate of his or her likelihood of earning a bonus<sup>15</sup>

Again we found no evidence that attrition among treatment teachers relative to control teachers was sensitive to any of these teacher measures.

Although we have found no differences between treatment and control teachers that drop out (except for gender), it is possible that winning a bonus in the first or second year of POINT will encourage teachers to stay, an effect that is obviously only possible for teachers in the treatment group. Likewise, receiving a low rating on the performance measure used by POINT to determine bonus winners might encourage a teacher to consider an alternative assignment. We tested this conjecture using data from the treatment group teachers. These teachers received reports containing their performance measures and indicating whether they had won a bonus based on student achievement in 2006-07 in September of the second year of the study. This was too late to affect their decision to continue teaching in 2007-08, but this information could have influenced their decision for year 3 of the study. For the sample of treatment group teachers that remained in the study through year 2, we fit a series of logistic regression models to test for a relationship between their POINT performance measure, whether or not they won a bonus, and the probability that they remained in the study through year 3. The first models include only the performance measure or an indicator for winning

<sup>15</sup> Although the survey was administered to teachers after they began participating in the experiment, there were intervention effects on these measures. Hence, we believe there is limited risk of bias from modeling with post intervention variables.



a bonus, the next models include the performance measure or an indicator for winning a bonus plus baseline teacher background variables, the next set of models include the performance measure or bonus indicators interacted with sex, our survey based measures of the *Negative effects of POINT*, *Positive perceptions of POINT*, *Support for performance pay*, *Extra effort for bonus*, *Hours worked outside of the school day*, and *each teacher's estimate of his or her likelihood of earning a bonus*.

Neither the performance measure nor the bonus status was significantly associated with the probability of attrition between the end of year 2 and the end of year 3 in any of the models. However, our sample for these analyses is small, as it is restricted to the 107 treatment group teachers who remained in the study through the second school year. Of these only 23 (21 percent) dropped out the next year.

## WERE IMPROVEMENTS IN TEST SCORES ILLUSORY?<sup>16</sup>

The possibility that improvements in student performance are illusory poses another threat to validity (Koretz, 2002). An obvious instance arises when the performance measured by the test is not the student's own—for example, when teachers alter answer sheets or coach students during an exam. But illusory gains can also be produced by less egregious behavior—such as narrowly teaching to the test, so that improvements do not generalize beyond a particular test instrument or fail to persist when the same students are re-tested the next year (Linn, 2000). Thus, even if we should find that students of treatment teachers have outperformed students of control teachers and that there appear to be no important confounding factors, we need to consider whether the difference was real—a permanent improvement in student mastery of the test domain—as opposed to a fleeting improvement on specific test items.

One potential indication that gains are illusory is a classroom in which student gains are high relative to how those same students tested in the previous year and relative to how they test the year following (Jacob and Levitt, 2003). In contrast, if large test score gains are due to a talented teacher, the student gains are likely to have a greater permanent component, even if some regression to the mean occurs. Hence, the first indicator of illusory gains is the extent to which a classroom's mean performance in year  $t$  is unexpectedly large and the same students' mean performance in year  $t+1$  is unexpectedly small.

To create an indicator of whether a classroom's test performance in year  $t$  is unexpectedly good (or poor), we regress the mathematics score of student  $i$  in year  $t$  in classroom  $c$  in school  $s$  on measures of prior year achievement and a set of student and teacher-level covariates.<sup>17</sup> Separate regression for each grade/year in the analysis—*i.e.*, 6 total regressions: grades 5, 6 and 7 x years 2007 and 2008. Classroom mean residuals are multiplied by  $\sqrt{N_{tcs}}$  as an approximate correction for sampling variability. Note that it is expected that large gains in one year will be followed by smaller gains the next (regression to the mean). Thus we will be looking for outliers with respect to this phenomenon:

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<sup>16</sup>The analysis and discussion in this section was contributed by Brian Jacob and Elias Walsh.

exceptional swings from one year to the next for the same group of students.<sup>18</sup>

The second indication of illusory gains is based on the pattern of student item responses, on the assumption that teachers who intentionally manipulate student tests will generate unusual patterns in item responses. Consider, for example, a teacher that erases and fills in correct responses for the final 5 questions for the first half of the students in her class. In this case, there will be an unexpectedly high correlation between the student responses on these questions. We combine four different indicators of suspicious answer strings. The first is the probability, under the hypothesis that student answers within the same classroom are uncorrelated, of the most unlikely block of identical answers given by students in the same classroom on consecutive questions. The second and third measures capture the extent to which within-classroom deviations from the most likely answer to a given item (based on responses over the entire sample) are correlated. The first of these averages such correlations over items, reflecting the overall degree of correlation on the test. The second is a measure of the variability of such correlations across items. If a teacher changes answers for multiple students on some subset of questions, the within-classroom correlation on those particular items will be extremely high while the degree of within-classroom correlation on other questions will likely be typical. This will cause the cross-question variance in correlations to be unusually large.

The fourth indicator compares the answers that students in one classroom give to other students in the system who take the identical test and get the exact same score. Questions vary significantly in difficulty. The typical student will answer most of the easy questions correctly and get most of the hard questions wrong (where easy and hard are based on how well students of similar ability do on the question). If students in a class systematically miss the easy questions while correctly answering the hard questions, this may be an indication that answers have been altered. Our overall measure of suspicious answer strings is constructed in a manner parallel to our measure of unusual test score fluctuations. Within a given grade and year, we rank classrooms on each of these four indicators, and then take the sum of squared ranks across the four measures.<sup>19</sup>

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<sup>17</sup> Student prior achievement measures include a quadratic in prior scores in for all four core subjects (a total of 8 variables), a quadratic in two years prior scores in all subjects (a total of 8 variables), and missing value indicators for each of the 8 test scores included in the regression (a total of 8 variables). Prior test scores that are missing are set to zero so that these observations are not dropped from the regression. The student demographics, *X*, include dummies for male, black, Hispanic, and other race, a cubic in age, a quadratic in days suspended, a quadratic in unexcused absences, a quadratic in excused absences, binary indicators for ELL eligible, free and reduced lunch, special education status, and having multiple addresses during the current school year. The “classroom” demographics, *C*, include fraction male, black, Hispanic, other race, free or reduced lunch, and special education in the class, and a quadratic in class size. These are defined at the year-school-grade-teacher-course level, as close to a true classroom as the data allow us to get.

<sup>18</sup> The statistic we employ is constructed by ranking each classroom’s average test score gains relative to all other classrooms in that same subject, grade, and year, and then transforming these ranks as follows:

$$(3) \quad SCORE_{cst} = (rank\_base_{cst})^2 + (1 - rank\_post_{cst})^2$$

where  $rank\_base_{cst}$  is the percentile rank for class *c* in school *s* in year *t* and  $rank\_post_{cst}$  is the percentile rank for the same group of students in year *t*+1. Classes with relatively big gains on this year’s test and relatively small gains on next year’s test will have high values of SCORE. Squaring the individual terms gives more relatively more weight to big test score gains this year and big test score declines the following year.

We combine the two aggregate indicators—SCORE and STRING—to create a single indicator for each class by year combination. Classes with “high” values on both indicators are regarded as cases in which gains may be illusory (SUSPECT = 1). Of course, the definition of “high” is arbitrary. In this analysis, we consider classrooms that score above the 90th percentile on both SCORE and STRING.<sup>20</sup> In order to determine whether these suspect cases were more prevalent among treatment classes, we regress this binary indicator on teacher treatment status and several covariates: a measure of the teacher’s value-added in the year prior to the experiment, the average incoming math score of students in the classroom, and fixed effects for the blocks within which random assigned occurred.<sup>21</sup> The sample was restricted to teachers that participated in the experiment and students in grades 5, 6, and 7 in years 2007 and 2008 so that all students remaining in MNPS would have the post-test observation needed to construct the SCORE variable.

Results are displayed in Table 6 below. Treatment classrooms were no more likely than control classrooms to be identified as suspect. Coefficients on the treatment indicator are both substantively and statistically insignificant. We do find that pre-POINT teacher value added has a strong positive relationship to the dependent variable, but this is expected. Value added is a measure of teacher quality, and classrooms of effective teachers should look different by both measures: strong gains during students’ year with that teacher followed by smaller gains the next year, and a greater likelihood that students in these classrooms will answer more questions the same way (correctly). Separate regressions run for each grade also fail to detect any relationship between treatment status and SUSPECT.

It is possible, of course, that illusory gains could have resulted from behavior not picked up by the measures employed here. Nonetheless, it is reassuring that there was no difference between treatment and control classrooms with respect to measures that other research has shown to detect illusory test score gains.<sup>22</sup>

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<sup>19</sup> Specifically, the statistic is constructed as

$$STRING_{cst} = (rank\_m1_{cst})^2 + (rank\_m2_{cst})^2 + (rank\_m3_{cst})^2 + (rank\_m4_{cst})^2$$

<sup>20</sup> Results were unchanged using alternative cutoffs corresponding to the 80th and 95th percentiles.

<sup>21</sup> The value added variable is set to zero if the teacher did not have a value-added score (for example, because the teacher was newly hired or newly assigned to teach math in 2006-07). Such cases were also distinguished by a binary indicator for missing value-added scores.

<sup>22</sup> See Jacob and Levitt (2003) for more detail. In particular, an audit study in which a random selection of classrooms suspected of cheating (based on the measures described in this memo) were re-tested under controlled conditions several weeks after the official testing. A random sample of other classrooms (not suspected of cheating) was also re-tested. Classrooms suspected of cheating scored substantially lower on the re-test than they had on the official exam only several weeks earlier while the other classrooms scored roughly equivalent on the re-test and official exam.

TABLE 6.  
Estimates of the Treatment Effect on the SUSPECT Indicator

	Dependent Variable = SUSPECT Indicator (90th Percentile Cutoff)						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Treatment			0.00 (0.01)	-0.00 (0.01)	-0.00 (0.01)	-0.01 (0.01)	0.51 (0.37)
Pre-experiment teacher value added					0.15** (0.04)	0.18** (0.05)	1922.81 (4048.99)
Missing value added					-0.03** (0.01)	-0.01 (0.01)	0.00 (0.03)
Pre-experiment mean math score for students in a teacher's classes					-0.02** (0.01)	-0.01 (0.01)	0.18 (0.17)
Teacher fixed effects	Yes	No	No	No	No	No	No
School fixed effects	No	Yes	No	No	No	No	No
Block fixed effects	No	No	No	Yes	No	Yes	Yes
F-test of joint significance of fixed effects	0.76	1.50					
p-value from F-test	0.98	0.03					
Mean of dependent variable	0.03	0.03	0.03	0.03	0.03	0.03	0.06
Number of classrooms (observations)	500	498	500	500	500	500	228
R-squared	0.38	0.04	0.00	0.05	0.04	0.09	

† p < 0.10, \* p < 0.05, and \*\* p < 0.01.

Models (1)-(6) show fixed effect or OLS regression results. Model (7) shows odds ratios from a conditional logit regression. Standard errors clustered by teacher are in parentheses.

## IV. STUDENT ACHIEVEMENT

The ultimate purpose of changing teacher compensation is to improve outcomes for students in our nation's schools. Of course, standardized test scores are only one student outcome. Others, such as attainment or workplace productivity, may be of greater interest. However, student achievement on state tests is the currency of school evaluation and of great interest to policy makers and educators. It also is readily available and proximal to the intervention. Finally, growth in achievement as measured by the state test was the basis for the bonus awards: if incentives are going to have an effect, presumably it will be most evident in scores on these exams.

### TREATMENT EFFECTS

POINT ran for three years. Each successive year provided teachers additional time to make adjustments to their teaching to improve their chances of earning a bonus. With each year, treatment teachers also received more information about their performance as measured by the award metric. Hence, there is potential for the effects of the intervention to vary across years.

Effects may also differ by grade level. Students in different grades take different tests and have varying amounts of exposure to teachers in the experiment. The majority of fifth and sixth grade students are in self-contained classrooms in which teachers provided instruction in multiple subjects. This was typically not the case in grades seven and eight, when mathematics instruction is generally provided by teachers specializing in math. Also, due to the way teachers were assigned to treatment and control groups, sixth and eighth grade students in treatment (control) classes in years 2 and 3 of the experiment were likely to have had a treatment (control) teacher in the preceding year. As a result, there is variation in total years of exposure to the intervention. Sixth and eighth grade students are apt to have had multiple years of exposure if they have had any, whereas students in grade 5 always had only one year of exposure, while about half of the treatment students in grade 7 had multiple years of exposure and half only a single year. Consequently, results at different grades might be measuring different degrees of exposure to teachers eligible for bonuses.

Given these various factors, we estimate not only overall treatment effects, but also separate effects by year and by grade within year.

### MODELS

To estimate the treatment effects we used linear mixed models designed to account for features of the experimental design and randomization into treatment and control groups (Raudenbush and Bryk, 2002). The models are complex. Over the three years of the study, we have repeated measures on both students and teachers. These units are not nested, for students move across teachers as they progress through grades.

As described in Section II, the POINT experiment used cluster-randomization with clusters defined

by course-groups within schools. Blocks combined clusters from schools with similar historic school-level value-added measures and study teachers were uniquely linked to randomization clusters based on their teaching assignments at the beginning of the study.<sup>23</sup> The models account for the blocking and the cluster randomization by way of block fixed effects and cluster random effects. Virtually all of the results we report were obtained from separate samples for each year. When data were pooled across years, the model also included block by year interactions and cluster by year random effects. To ensure the accuracy of standard errors, models included teacher random effects (or teacher by year effects, when data were pooled across years) as well as teacher by grade random effects.<sup>24</sup> Students are observed more than once in the samples that pool data across years. In this case, within-student covariances over time are unrestricted. Finally the models included grade by year fixed effects to account for grade-level trends in the achievement scores.

To improve precision and to control for differences between treatment and control groups that might have arisen for reasons other than chance, we adjust for a variety of pre-experiment student characteristics including achievement in each of the four TCAP subjects, race/ethnicity, gender, English Language Learner (ELL) classification, special education participation, free and reduced price lunch participation, and the numbers of days of suspension and unexcused absences. Covariates were measured in the most recent year outside of the experimental frame of the 2006-07 to 2008-09 school years and grades 5-8. For instance, the student-level covariates for an eighth grade student in year 1 (the 2006-07 school year) were measured when the student was in seventh grade in the 2005-06 school year whereas covariates for eighth grade students in year 2 (the 2007-08 school year) and year 3 were measured when the students were in grade 6 in the 2005-06 school year and grade 5 in the 2005-06 school year, respectively. See Figure 1 for details.

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<sup>23</sup>We do not account for classes or sections taught by different teachers because this information was not included in our data. This omission should have limited effect on our estimates since we are accounting for the teacher. Also in years 2 and 3 some teachers left their original teaching assignments and are teaching in different randomization clusters. Because such changes could be endogenous, we use the cluster at the time of the initial randomization throughout our analyses. As noted above, a few teachers were assigned to the treatment group so that every school would have at least one treatment teacher. These teachers were assigned to separate clusters since they differed from other teachers in what would have been their cluster.

<sup>24</sup>For reasons of computational tractability, teacher by grade random effects were omitted when data were pooled across years. This likely results in a slight understatement of true standard errors for those estimates.

FIGURE 1.  
Grade Level and School Year of Covariate Measurements by Grade and Year of Study Participation and Outcome Measurements

Grade and Year of Covariate Measurement		School Year and Grade of Outcome Measurement											
		Year 1				Year 2				Year 3			
Year	Grade	5	6	7	8	5	6	7	8	5	6	7	8
2005-06	4	X					X					X	
	5		X					X					X
	6			X					X				
	7				X								
2006-07	4					X					X		
2007-08	4										X		

To account for missing covariates (*e.g.*, due to missed testing or students being new to the district) we used a pattern mixture approach where we assigned students to one of four common observation patterns of covariates and included pattern indicators and separate coefficients in the model for the covariates within each pattern.<sup>25</sup> All of these terms were interacted with both grade and year to account for potentially different associations between the covariates and the test score outcomes from different grades or years. The variances of the residual errors are not held constant but are allowed to vary by covariate observation pattern. This is important: residual errors of students without pre-experiment test scores are substantially more variable than those of students with such scores.

The models also included adjustment for three teacher-level covariates: an estimate of the teacher's value-added in mathematics from the year prior to the experiment, an indicator for this quantity being unobserved, and the average pre-POINT mathematics score of the students taught by each teacher in each year.

Finally, the models included teacher treatment status in one of three ways: 1) a single treatment indicator to provide an overall intervention effect; 2) treatment effects by year; and 3) treatment effects for each of the twelve grade by year cells. Separate models were fit for each of these three cases using REML estimation with the *lme* routine available in the R environment.

<sup>25</sup>This is a generalization of a commonly used method of dealing with missing data, in which the missing covariate is set to an arbitrary value (say, zero or the sample mean) and a dummy variable for observations with missing values is added to the model. Here a dummy variable is defined for each pattern of missing values and interacted with the covariates that determined these patterns. Observations that did not fit one of the four most common patterns of missing data were made to fit by setting some covariates to missing. A small amount of data was lost in this way at a considerable gain in computational tractability.

## ANALYSIS SAMPLE

Using data from the MNPS student information system we identified all the students enrolled in middle schools during the experimental years. We also identified all the courses each of these students was enrolled in and the teacher(s) who instructed them in each course. The database for mathematics courses taught by POINT participants comprised 38,577 records and 37,130 unique student-year combinations from 25,656 unique students across the four grades and three years of the study, with data from 289 unique teachers.<sup>26</sup>

Some student-years occur more than once in this dataset because the student switched schools or switched mathematics teachers within the same school during the year. We restricted the data to the first record for each student in each year reflecting either their beginning-of-year assigned mathematics teacher, or their first mathematics teacher upon entering the district mid-year. This restriction left 35,625 records from 35,625 unique student-year combinations from 25,001 unique students.

Furthermore, we identified student-years where students were taught by a single mathematics teacher for 90 percent or more of the school year. We refer to these student-years as having a “stable” mathematics enrollment. Attribution of achievement outcomes to responsible instructors is clearly easier in the stable cases, compared to situations in which a student has had multiple teachers for significant portions of the year. Of all student-years linked to treatment teachers, 80.9 percent had stable enrollments, compared to 82.5 percent for control teachers. This difference was not statistically significant.<sup>27</sup>

Only students who took the TCAP mathematics test can be included in the estimation of the intervention effects on mathematics achievement. More than 95 percent of the student-year observations in participating teachers’ classes had mathematics scores. The percentages were 95.5 percent for control teachers and 95.2 percent for treatment teachers. A small number of students tested outside their grade level were excluded. After restricting to records with on-grade mathematics test scores, our analysis dataset had 33,955 observations of 33,955 unique student-year combinations from 23,784 unique students and 288 unique teachers.

## OUTCOME VARIABLES

The test score outcomes for all models are students’ TCAP criterion referenced test (CRCT) scores during the experiment time period. On their natural scale, these scores have heavy tails that may invalidate normal approximations made in interpreting the model results. We therefore transformed

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<sup>26</sup> Only 289 teachers are part of the outcomes analysis file because five teachers dropped out of the study during year 1 before student outcomes were measured.

<sup>27</sup> We fit a Generalized Linear Mixed Model (Raudenbush and Bryk, 2002) to test for differences between the intervention and control groups on the proportion of “stable” students. The model predicted the probability of a student being classified as stable as a function of treatment assignment and other terms to control for features of the design and clustering including random effects for the teacher and cluster.



the scores using “rank-based z-scores” to improve the plausibility of the assumption that residual disturbances are distributed normally. In order not to distort the relative performance of treatment and control groups, we standardized the scores by grade and subject relative to the entire district in spring 2006, the testing period immediately prior to the experiment. Specifically, we used the district-wide CRCT data during 2005-2006 to create a mapping between CRCT scale scores and percentiles in the district, with separate mappings by grade and subject. For all other years, we assigned every scale score a percentile by locating it in the appropriate 2006 grade/subject distribution, using linear interpolation to estimate percentiles for scale scores that were not observed in 2006 (scores outside the observed 2006 range were assigned the percentile of the maximum or minimum 2006 score). The percentiles were then transformed by the standard normal inverse cumulative distribution function. We report results on this standardized scale.

Because the intervention awarded mathematics teachers bonuses primarily on the basis of their students’ mathematics achievement, our primary outcome is student achievement in mathematics. Students were also tested in reading, science, and social studies. As described in Section II, these scores were factored into bonus calculations when mathematics teachers also taught these other subjects. We thus analyzed achievement in these other subjects to study possible positive or negative “spillover” effects from the primary intervention. We used rank-based z-scores for all tests, regardless of subject.

## RESULTS

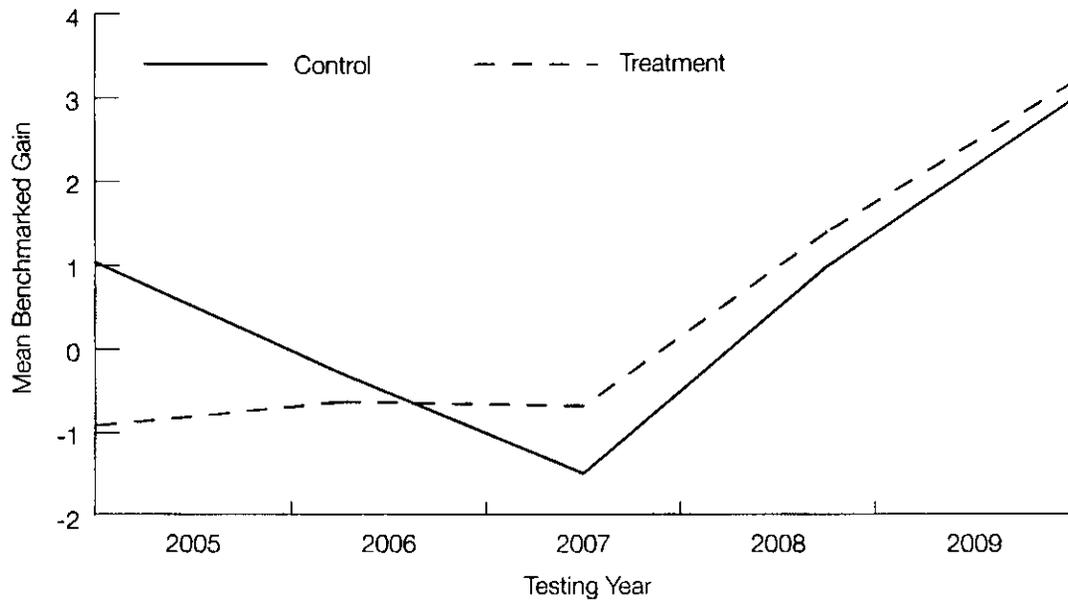
Before we present the estimated treatment effects described above, we present in graphical form information on achievement trends in the district. The graphs are both easy to understand and illuminating. In several respects, they prefigure findings from our more sophisticated analyses.

Figure 2 presents mean achievement from spring 2005 through spring 2009. The achievement measure is a student’s year-to-year gain on the math TCAP, benchmarked against the state mean gain for students with the same previous year score. In the pre-POINT years, “treatment” and “control” refer to the status their teachers will have when the experiment starts.<sup>28</sup> Achievement is higher in the control group in 2005, but the gap is almost completely gone in 2006. The difference in 2007, the first year of POINT, is neither large nor statistically significant. Thereafter both groups trend upward. This may be a function of growing familiarity with a new set of tests introduced in 2004, or a response to pressures the district faced under No Child Left Behind. (A similar upward trend, not displayed in this figure, is evident among students of teachers that did not participate in POINT.) This trend also illustrates why we cannot take the large number of bonus winners in POINT as evidence that incentives worked. There were more bonus winners than expected on the basis of the district’s historical performance, but this was because performance overall was rising, not because teachers in the treatment group were doing better than teachers in the control group.

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<sup>28</sup> The mix of teachers changes over these years, but very similar patterns are obtained when the sample is restricted to teachers who taught middle school math in all five years.

FIGURE 2.  
Math Achievement Trends Overall



Figures 3-6 show trends by grade level. The general upward trend is also evident at each of these grade levels. The pre-POINT differences between treatment and control groups are greater, particularly in 2005, than they were in Figure 2, where a positive difference in grade 6 partly offset negative differences in the other grades. We also note that these gaps between treatment and control groups can be quite unstable. They can vary considerably even within the pre-POINT period, suggesting that we should be wary of taking the pre-POINT gap as an indication of what would have followed in the absence of incentives. Consistent evidence of a treatment effect is evident only in grade 5: a small gap in favor of the treatment group in the first year of the experiment, widening considerably in the second year.

FIGURE 3.  
Math Achievement Trends in Grade 5

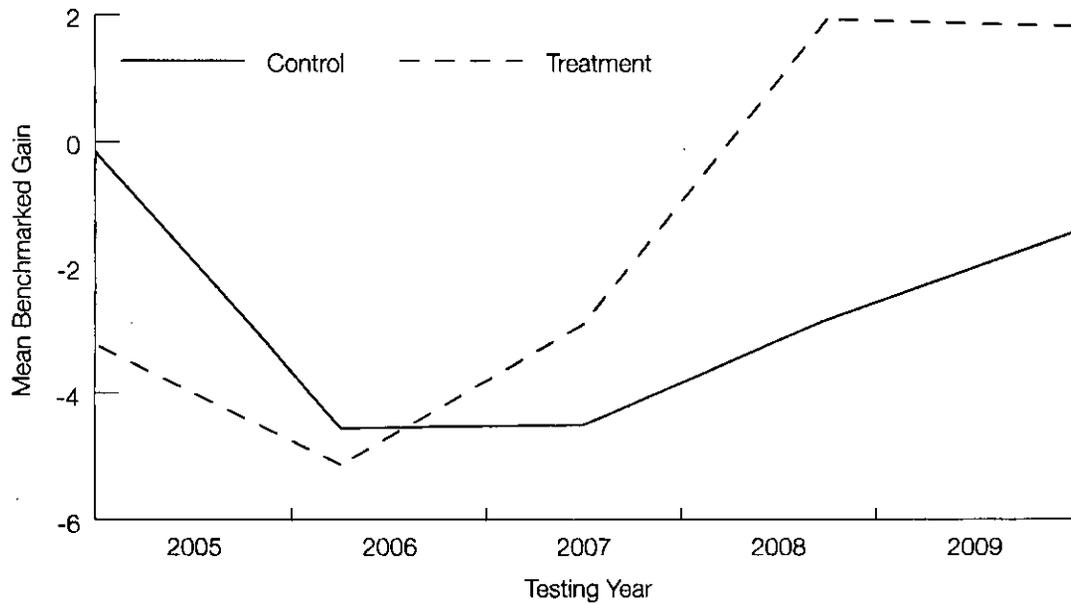


FIGURE 4.  
Math Achievement Trends in Grade 6

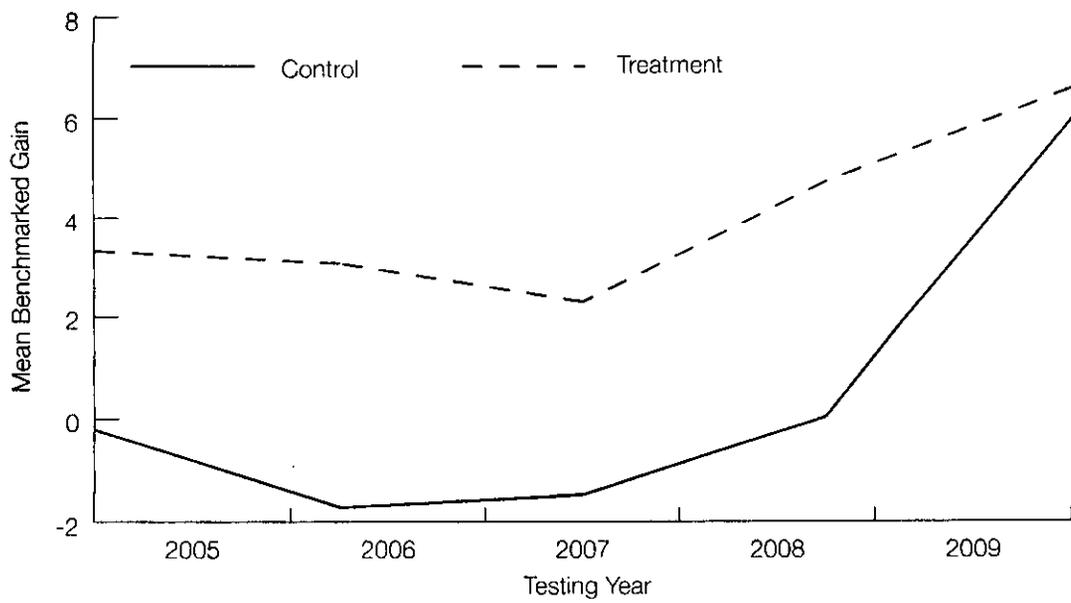


FIGURE 5.  
Math Achievement Trends in Grade 7

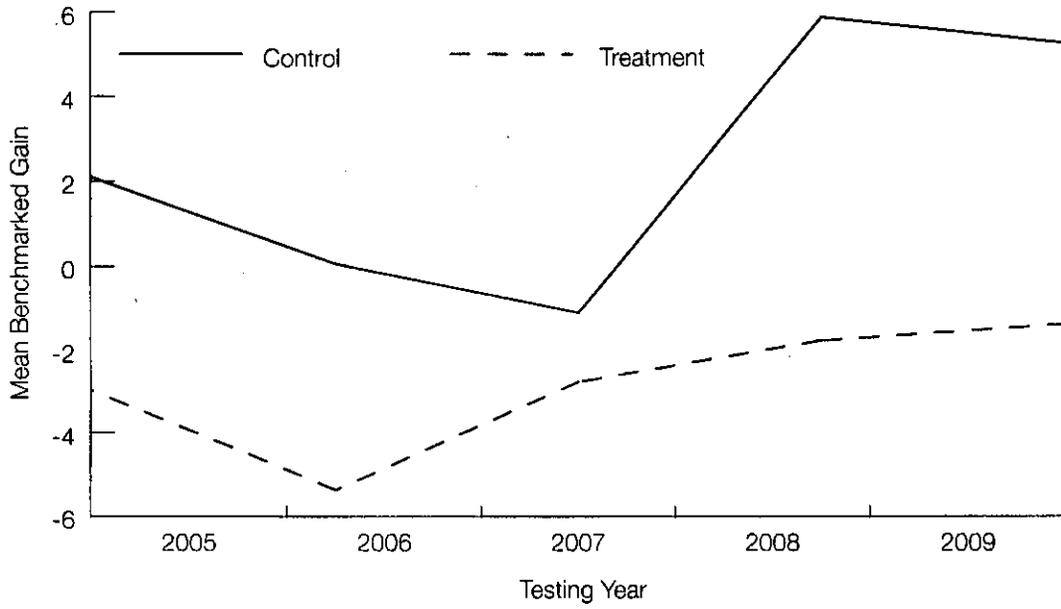
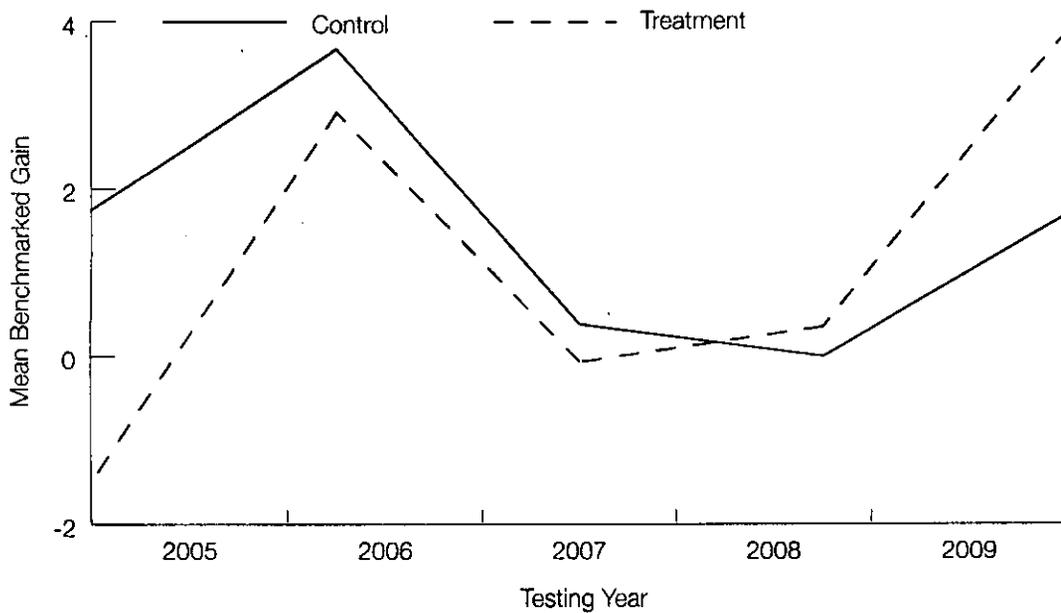


FIGURE 6.  
Math Achievement Trends in Grade 8



Could spillover from the treatment group be responsible for improved performance in the control group? We find little support in the data for this hypothesis. First, it is implausible that such spillover would increase achievement as much in the control group as among teachers who were eligible for bonuses. A finer look at the evidence also argues against such a conclusion. There was variation from school to school and from grade to grade in the same school in the number of teachers in the treatment group. However, gains were no greater for control teachers who were exposed to a higher proportion of treatment teachers as colleagues. In addition, the same upward trend in mathematics scores shown in Figures 2-6 occurred in elementary schools, where the great majority of teachers had no day-to-day contact with teachers in the experiment.

Turning to our statistical analysis, we estimate an overall treatment effect across all years and grades of 0.04 with a standard error of 0.02—a small and statistically insignificant result. While this estimate is derived from the model described above, it is replicated in model-free comparisons of treatment and control group outcomes that control only for student grade level and randomization block, with random effects for clusters and teachers to ensure the accuracy of the standard errors. The difference between treatment and control groups remains small and statistically insignificant. The fact that we obtain the same results with or without the extensive set of controls for student and teacher characteristics suggests that neither attrition nor attempts to game the system disturbed the balance between treatment and control groups enough to impart a substantial upward bias to estimated treatment effects.

However, there are differences by grade level, as shown in Table 7. Results in grades 6, 7, and 8 are not significant, but those in grade 5 are, with positive effects in the second two years of the experiment amounting to 0.18 and 0.20 units on the transformed CRCT scale. Since the variance of the transformed scores is roughly one, these values are similar to effect sizes. These grade 5 treatment effects are equivalent to between one-half and two-thirds of a typical year's growth in scores on this exam. These differences are significant even if we use a Bonferroni adjustment to control for testing of multiple hypotheses on math outcomes (Steele, Torrie, and Dickey, 1997).

TABLE 7.  
Estimated Treatment Effects in Mathematics

Year	Grade Level					N
	All	5	6	7	8	
1	0.03 (0.02)	0.06 (0.04)	0.01 (0.04)	-0.02 (0.05)	0.03 (0.05)	12311
2	0.04 (0.04)	0.18** (0.06)	0.05 (0.06)	-0.01 (0.07)	-0.10 (0.07)	8878
3	0.05 (0.04)	0.20** (0.08)	0.03 (0.07)	-0.05 (0.09)	-0.01 (0.08)	7812

†  $p < 0.10$ , \*  $p < 0.05$ , and \*\*  $p < 0.01$ .

Appendix Tables C-1 to C-3 present estimates of treatment effects on student achievement in reading, science, and social studies. There are no significant effects for reading. However, there are significant differences between treatment and control group students in grade 5 for both science and social studies. For both subjects, treatment group students scored significantly higher than students in the control group in year 3, with effects of 0.180 and 0.171 for science and social studies, respectively. There was also a marginally significant effect for social studies in year 2 of 0.131.

A response on the part of teachers to financial incentives is of little long-term value if their students' gains are not sustained into the future. A failure to sustain these gains may also indicate that teachers achieved these results by teaching narrowly to the test, so that the gains evaporated when students were re-tested using a different instrument. Because our only positive findings concern fifth grade teachers in years two and three of the experiment, we are able to examine longer-term effects for one cohort only: those students who were in fifth grade during the second year of the study and in sixth grade during the third year. (In the future, we will have follow-up data permitting us to extend this analysis to the 2008-09 fifth grade cohort.) To look for evidence of sustained effects, we restricted the data to the sample of students contributing to the grade 5, year 2 effect and examined the grade 6 test scores for the approximately 88 percent of these students who remained in the district and were tested during year 3. We fit a model analogous to our main outcomes model, but using grade 6 rather than grade 5 test scores. We considered models with and without controls for the grade 6 teacher status (treatment, control, and study non-participant), and considered several restrictions on the student population (all students linked to the sixth grade teacher to whom they were assigned at the beginning of the year, students that remained with the same sixth grade teacher from the twentieth day of the school year onward—"stable" students—and stable students whose sixth grade teacher was a POINT participant). Across all of these configurations and across all subjects, there were no statistically significant effects of grade 5 teacher treatment status on grade 6 outcomes. The largest estimated effect was 0.08.

To summarize, we find no overall effect, pooling across years and grades, of teacher incentive pay on mathematics achievement. Likewise, we find no overall effect by year, pooling across grades. Our only positive findings are in grade 5 in the second and third years of the experiment. These grade 5 results are also found in science and social studies in at least some years. However, the grade 5 gains do not persist into the future, at least in the cohort we have been able to check. By the end of sixth grade, it does not matter whether a student had a treatment teacher in grade 5.

## SENSITIVITY TESTS

We have explored several alternative approaches to estimating treatment effects to see whether these findings hold up. To guard against model misspecification, we have re-estimated the achievement equations with an expanded set of covariates that includes the square and cross-products of all regressors. Results are virtually unchanged.

Our outcome measure for testing whether incentives raised achievement—the rank-based z-score described above—is not the same as the performance measure that determined whether teachers

qualified for a bonus. That measure was the TCAP scale score benchmarked to the average score statewide among students with the same prior year score (literally, the difference between the two, averaged over a teacher's class). Moreover, the set of students for whom we have estimated treatment effects is not precisely the set for whom teachers were accountable in POINT. Our analysis sample has included some students who are missing prior year scores and who did not count in POINT because we could not compute their benchmarked score, and it excludes some students who did count because they entered a teacher's class by the twentieth day of the school year, although they were not there from the start. Teachers were informed of these rules, and it is possible that they influenced decisions about how much assistance to give particular students. Given all this, it may be that another analysis, using the performance measure that determined bonuses and including only those students whose scores mattered, would reveal a different pattern of effects.

We have conducted an extensive set of such analyses, using three samples of students: all students that started the year with a given teacher, the set of stable students (the sample used in Table 7), and the set of students whose performance counted towards the bonus. We have estimated models with and without the set of student covariates for which we controlled in Table 7, as such covariates were not used when evaluating teacher performance for bonus purposes. We would note, however, that grade-level estimates without these controls are apt to be misleading, given that the randomization of teachers into treatment and control groups left imbalances on multiple dimensions, for which benchmarking to a single prior score is not a sufficient remedy.

Broadly speaking, results are consistent with those in Table 7. There are no significant treatment effects overall when pooling across grades and years or when estimating separate effects by year but pooling grades. We continue to find strong positive treatment effects in the second and third years of the experiment in grade 5, though not in the sample that includes students who left a treatment teacher's class in mid-year. There is also a significant positive effect in grade 5 in the first year of the experiment ( $p = 0.09$ ) and a negative point estimate in grade 7 in the third year ( $p = 0.09$ ), though these appear only when background controls are omitted.

## WHY WAS FIFTH GRADE DIFFERENT?

In our baseline models as well as the additional models we have estimated as sensitivity tests, we have consistently found significant effects for grade 5 students in years 2 and 3. This is true of no other grade or year. Are these results spurious, or are there reasons why incentives worked in grade 5 but only in that grade?

**Model misspecification.** In our main analyses we have controlled for students' prior achievement, using their last pre-POINT score from the year before they entered grades taught by teachers in the study. As shown in Figure 1, for students in grades 6 to 8 in years 2 and 3, these scores date from two or three years prior to the study year, raising the possibility that the information they contain is dated, failing to capture systematic differences in student assignments to teachers reflected in more recent achievement results.

Accordingly, we have re-estimated our achievement models including the immediate prior year math score as a covariate.<sup>29</sup> The results (below) are qualitatively similar to those of Table 7. There are large effects for grade 5 in years 2 and 3 but not for other grades and years. While these estimates are difficult to interpret because the prior year score is a post-treatment outcome for some students and therefore endogenous, it is clear that controlling for prior achievement does not change our finding that the positive treatment effects were limited to grade 5 in the second and third years of the experiment.

TABLE 8.  
Estimated Intervention Effects from Models Including Prior Year Mathematics Scores as a Covariate and Using Separate Models Per Year

Year	Grade Level					N
	All	5	6	7	8	
1	0.03 (0.02)	0.06 (0.04)	0.01 (0.04)	0.02 (0.05)	0.02 (0.05)	12311
2	0.05 (0.04)	0.17** (0.06)	0.06 (0.06)	-0.02 (0.07)	-0.07 (0.06)	8878
3	0.04 (0.04)	0.18** (0.07)	-0.02 (0.06)	-0.03 (0.08)	0.03 (0.07)	7812

† p < 0.10, \* p < 0.05, and \*\* p < 0.01.

*Advantages of teaching multiple subjects in a self-contained classroom.* Although housed in the middle schools, many grade 5 classes are self-contained where the teacher provides students all their instruction in core subjects and spends much of the day with these students. In some instances, the teacher will provide core instruction in two or three of the core subject areas, while students rotate to other teachers for the others. As shown in Table 9, 10 percent of grade 5 students received only mathematics instruction from the teacher who taught them mathematics; 28 percent received all of their core instruction from their mathematics teacher and an additional 30 percent received instruction in all but one core subject. The core subject most likely not to be taught by students' mathematics teachers was reading/English language arts.

The assignment of students to teachers for core instruction is very different in grades 7 and 8. By grades 7 and 8, instruction is nearly fully departmentalized with over 90 percent of students receiving no core instruction other than mathematics from their mathematics teacher. Special education students account for a sizeable fraction of the students receiving core instruction for other subjects from their mathematics teacher. Grade 6 occupies an intermediate ground: nearly a third of students receive no core instruction other than mathematics from their mathematics teachers and only 6 percent receive all their instruction in core subjects from their mathematics teachers.



TABLE 9.  
Proportion of Students Taught 1, 2, 3, or 4 Core Courses by Their Mathematics Teacher,  
by Grade Level

Grade Level	Number of Core Subjects Taught			
	1	2	3	4
5	0.10	0.32	0.30	0.28
6	0.32	0.37	0.24	0.06
7	0.91	0.06	0.01	0.02
8	0.90	0.07	0.01	0.02

Do these differences account for the fact that we see treatment effects in grade 5 but not the other grades? When students have the same instructor for multiple subjects, that teacher has the opportunity to reallocate time from other subjects to mathematics. Two of the items on the surveys administered to POINT teachers each spring deal with instructional time in math. One asks whether a teacher increased math time for all her students, the other whether she increased math time for low-achieving students. After converting the responses to a binary indicator, we have run logistic regressions in which treatment status was interacted with the proportion of a teacher's students in grade 5, grade 6, etc. Because the focus here is on the comparison of treatment to control teachers, these equations included indicators of randomization block. The model also included random effects for cluster and teacher. The sample comprised all responses from treatment and control teachers pooled over the three POINT years. Thus teachers remaining in the experiment all three years responded three times.

There were no significant interactions of treatment with the proportion of grade 5 students (or any of the grade-level proportions) for either dependent variable. As an indirect test of this hypothesis, we replaced the grade-level proportions with three variables measuring the proportion of a teacher's math students to whom the teacher gave instruction in one other core subject, two other core subjects, and three other core subjects. Interactions with treatment were small and insignificant when the dependent variable was time for all students. However, when the dependent variable was time for low achievers, the interactions with treatment were actually negative and statistically significant for two of the three regressors.

The instructional time variable is self-reported, and it may be that these data are not of high quality. As an alternative we create a binary indicator of whether a student's math instructor also had the student for at least two other core subjects and introduce this into our student achievement model, both as a stand-alone variable and interacted with treatment status. Separate equations were estimated for each POINT year. The multiple subject indicator had a significant main effect only in 2007. The grade 5 treatment effect was unaffected by the inclusion of this variable. However, when we estimate a model in which the multiple subject indicator is interacted with treatment status by

grade, we find a significant positive coefficient on the interaction for grade 5 treatment teachers in 2008—in that year, students whose math teacher also provided instruction in at least two other core subjects had higher math scores. The approximate effect size is 0.15 ( $p = 0.01$ ). If we take this estimate at face value, it largely accounts for the positive grade 5 treatment effect. The coefficient on the grade 5 treatment effect for students whose math teacher does not provide instruction in at least two other core subjects falls to 0.11 and is not significant ( $p = 0.13$ ). Qualitatively similar, though weaker, effects are seen in 2009. The interaction of the multiple subjects indicator with grade 5 treatment teachers is insignificant in 2009, but the grade 5 treatment effect for students whose math teachers do not provide instruction in multiple subjects drops to 0.17 and loses some significance ( $p = 0.07$ ). In addition, we find weak evidence that having the same math teacher in multiple subjects raises grade 6 achievement in treatment classes compared to control classes in 2007 ( $p = 0.09$ ).

In summary, the evidence on time reallocation is mixed. According to teachers' own reports, reallocation of time to mathematics from other subjects is not the reason we have found a treatment effect in grade 5 but not in other grades. However, it appears that having the same teacher for at least three core subjects can help mathematics achievement, though the evidence is spotty. We note also that this hypothesis is not consistent with the finding that achievement in science and social studies also rose in fifth grade but not in other grades (though there may have been some spillover between mathematics instruction and student performance in other subjects involving measurement, map-reading skills, and the like).

Even if teachers did not reallocate time from other subjects to math, a self-contained class in which the same instructor is responsible for multiple subjects could be advantageous in other ways. The teacher may also know his or her students better and be better able to adapt instruction to meet the students' learning styles and needs. However, most sixth grade mathematics teachers also teach at least one other subject to their math students, affording them some of the same opportunities to get to know their students better and to reallocate time from other subjects to mathematics that fifth grade teachers enjoy. Yet estimated treatment effects in grade 6 are quite small and far from statistically significant. We conclude that while teaching largely self-contained classes may be a contributing factor to the positive response to treatment found in grade 5, it appears to be far from the entire explanation.

*Attrition.* In Section IV we also found several differences between treatment and control groups in teacher characteristics. Most were evident in the baseline year but others grew more pronounced as the result of teacher attrition. Across all grades these characteristics included gender, advanced degrees, and number of days absent. Among teachers who taught grade 5, there were more differences. In years 2 and 3 the treatment group tended to have a greater proportion of white teachers and a smaller share of black teachers. Treatment teachers were also more likely to hold alternative certification than teachers in the control group. Treatment teachers in grade 5 also had more years of experience on average than their control group counterparts.

To reduce the scope for attrition bias, we include additional teacher characteristics shown to be related to attrition in the model. These models yield nearly the same estimates as the models without the additional covariates, suggesting that differences on observed variables between groups due to

teacher attrition did not contribute to the observed intervention effect on fifth grade students.

We have also run analyses restricting the sample to the 148 teachers who remained in the study for all three years, again using separate models by year. These are presented in Table 10. As a comparison with Table 7 shows, restricting the sample to teachers who remained to the end of the study (“non-attriters”) does not change the pattern of results across time and leads to minimal changes overall.

Table 10. Estimated Treatment Effects from Sample Restricted to Teachers Remaining in the Study for Three Years Using Separate Models Per Year

School Year	Grade Level					N
	All	5	6	7	8	
1	0.04 (0.03)	0.07 (0.05)	0.03 (0.05)	0.03 (0.06)	0.00 (0.05)	9349
2	0.05 (0.05)	0.22** (0.07)	0.04 (0.07)	0.00 (0.07)	-0.09 (0.07)	7875
3	0.05 (0.04)	0.20** (0.08)	0.03 (0.07)	-0.05 (0.09)	-0.01 (0.08)	7812

† p < 0.10, \* p < 0.05, and \*\* p < 0.01.

This analysis does not guarantee that attrition bias is not present in our estimates. If non-attriting treatment teachers systematically differ from non-attriting control teachers, the resulting selection bias will certainly affect the estimates in Table 10. However, in this case we would expect to see evidence of a systematic difference in teacher quality in every year, as there is no change over time in the sample of teachers. This is not the case. In fact, restricting to the completers has almost no effect on the year 1 grade 5 intervention effect, which continue to be small and statistically insignificant.

*Changes in teacher assignments.* We also investigated whether changes in teacher assignments during the study could explain the grade 5 effects. The mix of grade levels taught by individual teachers changes over time. If treatment teachers believed that teaching grade 5 students would increase their chances of earning a bonus, they may have attempted to change their teaching assignments to grade 5 in years 2 and 3 of the study, which could result in differences between the treatment and control groups. Overall 64 of the 148 stable study teachers taught at least one grade 5 student over the course of the study. There was not strong evidence of a systematic shift of treatment teachers to grade 5 over the course of the study. The percentages of control teachers who taught any grade 5 students were 34 percent, 36 percent, and 31 percent for years 1-3, respectively. The corresponding percentages for treatment teachers were 39 percent, 33 percent, and 39 percent. We also conducted

a sensitivity analysis where we removed from the sample of 148 teachers 21 teachers whose pattern of grade 5 teaching was not consistent over the course of the study, where consistency was defined as grade 5 students comprising either less than 20 percent or more than 80 percent of a teachers' mathematics students in every year. We fit annual models analogous to those used to produce Table 7 but using the restricted sample of 127 teachers. The estimated grade 5 treatment effects by year were 0.12 ( $p = 0.06$ ), 0.17 ( $p = 0.06$ ), and 0.12 ( $p = 0.18$ ). Although the results do not attain the same level of statistical significance as before, this is not surprising given that the analysis removed about 1/3 of all the teachers contributing to the grade 5 effects. The grade 5 treatment effect is higher in 2007 and lower in 2009 when the sample is restricted in this way, suggesting that over the course of the experiment, somewhat less effective teachers exited from fifth grade classrooms while stronger teachers entered. However, these changes are imprecisely estimated. The other grade-level treatment effects remain insignificant.

*Other hypotheses.* We have considered several other explanations of the grade 5 effect. Without presenting evidence, we mention them here for the sake of completeness.<sup>30</sup> (1) For whatever reason (say, better alignment between the MNPS curriculum and the TCAP), grade 5 teachers start out closer to the performance threshold at which they qualify for a bonus. This encourages more of them to make an effort to improve; (2) Teacher performance, as measured by POINT, is more variable in grade 5 than in other grades. This means that simply by chance, an average grade 5 teacher is likely to get closer to the performance threshold than the average teacher in higher grades, and this in turn encourages them to put in the effort to make marginal improvements in their performance; (3) For unspecified reasons, grade 5 teachers made a greater effort to earn a bonus; and (4) The activities in which grade 5 teachers engaged in an effort to earn a bonus (professional development, collaborative instructional practices, etc.) happen to have been a more effective mix than that pursued by teachers in other grades. We examined these hypotheses using achievement data, administrative records, and surveys of POINT participants and district math mentors. None accounted, even in part, for the grade 5 difference.

## SUMMARY

Overall we find no effect of teacher incentives on student achievement. Grade-level analyses show positive effects in the second and third years of the experiment, but only in grade 5. Most of the explanations we have considered for why effects would be limited to grade 5 have been rejected. One, the advantage of teaching multiple subjects in a self-contained class appears to be a factor, but accounts for only part of the grade 5 difference. Changes to teacher assignments may also have played a minor role.

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<sup>30</sup> Contact lead author for evidence related to discussion.

## V. TEACHER ATTITUDES AND EFFORT

NCPI administered surveys to all teachers participating in the POINT experiment in the spring 2007, spring 2008, and spring 2009 semesters.<sup>31</sup> The surveys included items on teacher attitudes, behavior and instructional practice, and school culture. Surveys asked teachers about their opportunities for professional growth—whether they sought professional development/training beyond that which was required; the content, frequency, and format of training opportunities; and whether they participated in informal learning opportunities at school (i.e., teacher networks, mentoring relationships).

Surveys also asked teachers about their classroom practice—what resources they used related to curriculum standards and assessments (i.e., curriculum guides, assessment training manuals) and whether they used student achievement scores to tailor instruction to students' individual needs. Finally, surveys addressed contextual factors at school that may moderate the impact of a pay for performance program: the quality of collegial relations and school leadership, and the professional culture at the school.

In this report, we turn to the surveys for information on two issues: (1) how teachers' attitudes toward performance pay were affected by POINT; and (2) why we found no overall response to incentives. The first of these questions is motivated by the controversial history of merit pay in public schooling and the common perception that where it has been tried, it hasn't worked. If this is the case, one would expect that teachers' attitudes will sour over time as they observe an incentive plan in operation. The second of these questions is clearly driven by the failure of incentives in POINT to produce a systematic improvement in achievement.<sup>32</sup>

### ATTITUDES TOWARD PERFORMANCE PAY AND POINT

POINT participants were generally supportive of the idea that more effective teachers should be paid more than less effective teachers. In this connection, it should be remembered that all participants were volunteers. A majority (64 percent) agreed with the statement: "Teachers should receive additional compensation if their students show outstanding achievement gains" in spring of 2007. Two years later this figure was virtually unchanged (66 percent). There were no significant differences across grades or between treatment and control groups.<sup>33</sup>

This does not mean, however, that teachers thought highly of POINT. On the whole they did not put a great deal of stock in the criteria used to determine who received bonuses. This may reflect dis-

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<sup>31</sup> Survey response rates were extremely high, ranging from 96 to 98 percent for control teachers and from 93 to 100 percent for treatment teachers. For the most part, teachers responded to all applicable survey items.

<sup>32</sup> A much more extensive analysis of the survey data appears in the forthcoming longer report.

<sup>33</sup> The dependent variable is measured on a 4-point Likert scale (strongly disagree, disagree, agree, strongly agree). We test for differences across grades and treatment status, and for changes over time, using an ordered probit model in which the regressors are randomization block, the proportion of a teacher's students at each grade level, year, and treatment status. The error structure includes a random effect for cluster.

satisfaction with TCAP and with standardized testing more generally. In spring of 2007, before any bonus winners had been announced, 69 percent of participants disagreed with the statement: “The POINT experiment will do a good job of distinguishing effective from ineffective teachers in the treatment group.” There were no significant differences between treatment and control groups or by grade. Though responses tended to become more favorable over time, in 2009 64 percent still disagreed.

Participants were evenly divided on the question of whether the method used to award bonuses was fair to all treatment teachers. Treatment teachers were somewhat more likely to agree ( $p = 0.08$ ). However, many of those that believed the method was fair still did not think it was particularly good at identifying deserving teachers. In 2007 80 percent agreed that “The POINT experiment ignores important aspects of my performance that are not measured by test scores.” This percentage was even higher (85 percent) two years later. Among treatment teachers denied a bonus, more than 80 percent disagreed with the statement: “The fact that I did not earn a bonus means I need to improve my effectiveness as a teacher.”

Merit pay has often been criticized for lowering morale and reducing cooperation among teachers (Chamberlin, et al, 2002). We did not find this to be the case in POINT. In each of the three surveys, more than 80 percent of participants disagreed with the statement: “The prospect that teachers in the POINT treatment group can earn a bonus discourages staff in the school from working together.” In 2007 90 percent disagreed with the statement: “I have noticed increased resentment among teachers since the start of the POINT experiment.” The proportion of teachers agreeing rose over time, but only slightly: in 2009, the percentage in disagreement was still 84 percent. On both items, teachers in the treatment group were somewhat more likely to disagree than teachers in the control group.

To summarize, participating teachers were generally supportive of the concept of extra pay for better teachers. They did not come away from their experience in POINT thinking it had harmed their schools. But by and large, they did not endorse the notion that bonus recipients were better teachers or that failing to earn a bonus ought to lead one to consider way to improve performance. In short, most participants did not appear to buy in to the criteria used by POINT to determine who was teaching effectively. This should be kept in mind when we consider why performance incentives failed to produce greater learning gains.

## HOW TEACHERS RESPONDED TO POINT

If we accept at face value teachers’ survey responses, it should not be a surprise that mathematics achievement did not increase among students of teachers eligible for bonuses. Most teachers claim to have made few if any changes in response to POINT. In each year, more than 80 percent of treatment group teachers agreed with the statement: “I was already working as effectively as I could before the implementation of POINT, so the experiment will not affect my work.” Most disagreed with the statement: “I have altered my instructional practices as a result of the POINT experiment,” though there was some change over time, with the percentage in disagreement falling from 87 percent in 2007 to 76 percent in 2009.

Some caution is required in interpreting these responses. Teachers may have been reluctant to agree with the first of these statements, as it carries the implication that they were not working as effectively as they could before the experiment. Some teachers who said POINT had no effect on their work nevertheless made changes to their classroom practices over the course of the project, though these may have been changes that would have occurred anyway. The surveys asked POINT participants about a wide range of teacher behavior and instructional practices. What do they tell us?

The survey items we examined are shown in Figure 7 below. They fall into the following categories: (1) Alignment of instructional with MNPS standards; (2) Use of instructional time; (3) Development of test-taking skills; (4) Use of particular teaching methods; (5) Use of test scores to inform and shape instruction; and (6) Collaboration with other math teachers.

## FIGURE 7.

### Survey Items on Teacher Effort and Instructional Practices

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#### Category: MNPS standards

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I analyze students' work to identify the MNPS mathematics standards students have or have not yet mastered.

I design my mathematics lessons to be aligned with specific MNPS academic standards.

*[All items answered: Never (1), once or twice a year (2), once or twice a semester (3), once or twice a month (4), once or twice a week (5), or almost daily (6)]*

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#### Category: Use of instructional time

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Aligning my mathematics instruction with the MNPS standards.

Focusing on the mathematics content covered by TCAP.

Administering mathematics tests or quizzes.

Re-teaching topics or skills based on students' performance on classroom tests.

Reviewing test results with students.

Reviewing student test results with other teachers.

*[All items answered: Much less than last year (1), a little less than last year (2), the same as last year (3), a little more than last year (4), or much more than last year (5)]*

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#### Category: Practicing test-taking skills

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Increasing instruction targeted to state or district standards that are known to be assessed by the TCAP.

Having students answer items similar to those on the TCAP (e.g., released items from prior TCAP administrations).

Using other TCAP-specific preparation materials.

*[All items answered: No importance (1), low importance (2), moderate importance (3), or high importance (4)]*

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FIGURE 7. Cont.  
Survey Items on Teacher Effort and Instructional Practices

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**Category: Time devoted to particular teaching methods in mathematics**

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Math students spending more time on:

Engaging in hands-on learning activities (e.g., working with manipulative aids).

Working in groups.

*[All items answered: Much less than last year (1), a little less than last year (2), the same as last year (3), a little more than last year (4), or much more than last year (5)]*

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**Category: Time outside regular school hours**

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During a typical week, approximately how many hours do you devote to school-work outside of formal school hours (e.g., in the evenings, before the school day, and on weekends)?

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**Category: Level of instructional focus**

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I focus more effort on students who are not quite proficient in mathematics, but close.

I focus more effort on students who are far below proficient in mathematics.

*[All items answered: Never or almost never (1), occasionally (2), frequently (3), or always or almost always (4)]*

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**Category: Use of test scores**

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Use test scores for the following purposes:

Identify individual students who need remedial assistance.

Set learning goals for individual students.

Tailor instruction to individual students' needs.

Develop recommendations for tutoring or other educational service for students.

Assign or reassign students to groups.

Identify and correct gaps in the curriculum for all students.

*[All items answered: Not used in this way (1), used minimally (2), used moderately (3), or used extensively (4)]*

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**Category: Collaborative activities with other mathematics teachers**

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Analyzed student work with other teachers at my school.

Met with other teachers at my school to discuss instructional planning.

Observed lesson taught by another teacher at my school.

Had my lessons observed by another teacher at my school.

Acted as a coach or mentor to other teachers or staff in my school.

Received coaching or mentoring from another teacher at my school or from a district math specialist.

*[All items answered: Never (1), once or twice a year (2), once or twice a semester (3), once or twice a month (4), once or twice a week (5), or almost daily (6)]*

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In addition to teacher surveys, we turned to two other sources of data. From administrative records, we obtained various indicators of teacher involvement in professional development: (1) Total professional development credit hours earned during the year; (2) Professional development credits in core academic subjects; (3) Math professional development credits; (4) How frequently a teacher was a 'no-show' in a professional development workshop for which she had registered; (5) How frequently a teacher was a late drop from a professional development workshop; and (6) The number of times a teacher logged into Edusoft, the platform through which the district administers formative assessments (with the number of logins an indicator of the frequency with which an instructor used the assessment tools and reports available on the Edusoft website). Finally, using surveys of the district's math mentors, we constructed an index of the frequency and duration of teachers' contacts with mentors.<sup>36</sup>

We regressed each of these variables on the proportion of a teacher's students at each grade level and on treatment status. We used OLS when the dependent variable was continuous, probit when it was binary, and ordered probit in the remaining cases. All models included randomization block fixed effects and random effects at the level of the randomization cluster.

There are few survey items on which we have found a significant difference between the responses of treatment teachers and control teachers. (We note all contrasts with  $p$  values less than 0.15.) Treatment teachers were more likely to respond that they aligned their mathematics instruction with MNPS standards ( $p = 0.11$ ). They spent less time re-teaching topics or skills based on students' performance on classroom tests ( $p = 0.04$ ). They spent more time having students answer items similar to those on the TCAP ( $p = 0.09$ ) and using other TCAP-specific preparation materials ( $p = 0.02$ ). The only other significant differences were in collaborative activities, with treatment teachers replying that they collaborated more on virtually every measured dimension. Data from administrative records and from surveys administered to the district's math mentors also show few differences between treatment and control groups. Although treatment teachers completed more hours of professional development in core academic subjects, the difference was small (0.14 credit hours when the sample mean was 28) and only marginally significant ( $p = 0.12$ ). Moreover, there was no discernible difference in professional development completed in mathematics. Likewise, treatment teachers had no more overall contact with the district's math mentors than teachers in the control group.

Finally, where treatment teachers did differ from controls, we do not find the differences for the most part associated with higher levels of student achievement. We have introduced each of the preceding dependent variables into the student achievement equations as an additional explanatory

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<sup>36</sup> Mentors were asked how frequently they had worked with a teacher in each of six skill areas. Responses were never, once or twice a semester, once or twice a month (plus indicators of more frequent contact that were never or almost never selected). They were also asked the average duration of sessions: < 15 minutes, 15 minutes, 30 minutes, 45 minutes, 1 hour, more than 1 hour. To construct the index we treated once or twice a semester as a baseline (=1). Relative to this, a response of once or twice a month (or still more often) was assigned a value of 3. "Never" was 0, of course. We treated <15 minutes as equal to 15 minutes and >1 hour as equal to 1 hour, and multiplied the revised duration values by the three frequency values (0, 1, or 3). We then summed this over the 6 skill areas and across all mentors that worked with a given teacher to obtain a crude index of how much contact a teacher had with the math mentors.

variable. Virtually none had any discernible relationship to mathematics achievement. The only exceptions were two of the collaborative activities: teachers that acted as mentors or coaches had better results, as did teachers that observed the work of others in the classroom, though the latter is only marginally significant ( $p = 0.14$ ). Because a teacher chosen to be a mentor or coach is likely a more effective teacher to begin with, the association may well be a selection effect.

In summary, treatment teachers differed little from control teachers on a wide range of measures of effort and instructional practices. Where there were differences, they were not associated with higher achievement. By and large, POINT appears to have had little effect on what these teachers did.

## VI. SUMMARY AND DISCUSSION OF FINDINGS

*Implementation.* In terms of implementation, POINT was a success. At the district's request, participation was voluntary. Given the controversial history of performance incentives in education, we had some concern that a sufficient number of teachers would choose to participate. More than 70 percent of eligible teachers volunteered, exceeding our target. Only one teacher asked to be removed from the study. Responses to teacher surveys administered in the spring of each year ranged between 92 percent and 100 percent. Through the three years that the project ran, it enjoyed the support of the district, the teachers union, and community groups. Bonuses were paid as promised. Because focus groups conducted prior to the project indicated that teachers were concerned about adverse consequences if the list of bonus winners were publicized, we promised that to the extent possible we would maintain confidentiality about who participated and who earned bonuses. We were able to keep this promise, despite paying out nearly \$1.3 million in bonuses. POINT enjoyed a relatively low profile in the community. In contrast to the experience with performance pay elsewhere, no list of winners appeared in the local press, nor did irate teachers seek outlets in the media to express dissatisfaction with their treatment.

Probably the greatest problem from the standpoint of implementation was the high rate of attrition from the project. POINT began with 296 participating teachers. By the end of the third year, only 148 remained. Attrition occurred for a variety of reasons: teachers left the district, they switched to administrative jobs, they took positions in elementary schools or high schools, they ceased teaching math, or the number of math students they had fell below the threshold of ten. Cumulative attrition by the end of the project was higher among control teachers than treatment teachers (55 percent versus 45 percent), though the difference was only marginally statistically significant ( $p = 0.12$ ). The experiment therefore provides weak evidence that the opportunity to earn a bonus reduces teacher attrition, though attrition from the study is not necessarily the kind of attrition that concerns policy makers. However, there is no evidence that being eligible for a bonus had a differential impact by teacher quality, as would be the case if being assigned to the treatment group made more effective teachers particularly likely to stay.

*Outcomes.* Of greatest interest is the impact of performance incentives on student achievement, the central question the study was designed to address. Our principal findings can be summarized as follows:

- With respect to test scores in mathematics, we find no significant difference overall between students whose teachers were assigned to the treatment group and those whose teachers were assigned to the control group.
- In addition, there were no significant differences in any single year, nor were there significant differences for students in grades 6-8 when separate effects were estimated for each grade level.
- We do find significant positive effects of being eligible for bonuses in the second

and third years of the project in grade 5. The difference amounts to between one-half and two-thirds of a year's typical growth in mathematics.

- However, for the 2007-08 fifth grade cohort (the only cohort we have been able to follow as yet as sixth graders), these effects are no longer evident the following year. That is, it makes no difference to grade 6 test scores whether a student's fifth grade teacher was in the treatment group or the control group.
- There was also a significant difference between students of treatment and control teachers in fifth grade social studies (years 2 and 3 of the project) and fifth grade science (year 3). No differences for these subjects were found in other grades.
- Given the limited scope of the effects and their apparent lack of persistence, we conclude that the POINT intervention did not lead overall to large, lasting changes in student achievement as measured by TCAP.

These findings raise further questions. Why did we find no effect on most students? Why was there an effect in grade 5?

We have considered three explanations for the absence of an effect: (1) The incentives were poorly designed. Bonuses were either too small or the prospect of obtaining a bonus too remote for teachers to change their instructional practices; (2) Teachers made little or no attempt to improve, either because they believed they were already doing the best job of which they were capable, or because they did not know what else to try; and (3) Teachers did attempt to improve their performance, but the measures they took were not effective.

The first explanation does not appear to be credible. Most treatment teachers were within range of a bonus, in the sense that they would have qualified for a bonus had their students answered correctly 2-3 more questions (on a mathematics test of approximately 55 items). A third of the teachers assigned to the treatment group actually did earn a bonus at some point during the project—despite the fact that 45 percent of treatment teachers limited their opportunity to do so by dropping out before the experiment ended. Responses to teacher surveys confirmed that the POINT bonuses got their attention. More than 70 percent of treatment teachers agreed that they had a strong desire to earn a bonus. The size of the bonuses—\$5,000, \$10,000, and \$15,000—relative to base salaries in the district makes it extremely unlikely that teachers viewed them as not worth the bother.

These surveys contain much stronger evidence in support of the second explanation. More than 80 percent of treatment teachers agreed that POINT “has not affected my work, because I was already working as effectively as I could before the implementation of POINT.” Fewer than a quarter agreed that they had altered their instructional practices as a result of the POINT experiment. Teachers' responses to such questions are not perfectly reliable indicators of their behavior: there may have been some reluctance to disagree with the first statement, thereby indicating that a teacher was not already working as effectively as she could. And indeed, responses to survey items dealing with specific in-

structional methods reveal that some teachers claiming to have done nothing different in response to POINT did change classroom practices over the course of the project. Nonetheless, on the whole the availability of bonuses does not appear to have inspired participating teachers to have done very much that they would not have done otherwise. On a wide range of questions about teaching practices, there are few to which treatment and control teachers gave consistently different answers in all years of the project. Nor were there significant differences between the two groups in the number of teachers reporting that they increased time spent on mathematics, either for all students or for low achievers in particular.

The conclusion that eligibility for bonuses did not induce teachers to make substantial changes to their instructional practices or their effort is corroborated by data from administrative records and surveys administered to the district's math mentors. Although treatment teachers completed more hours of professional development in core academic subjects, the difference was small (0.14 credit hours when the sample mean was 28). Moreover, there was no discernible difference in professional development in mathematics. Likewise, treatment teachers had no more overall contact with the district's math mentors than teachers in the control group.

We are not able to say as much about the third hypothesis. Analysis of survey data on instructional methods is problematic. First are the obvious limitations of self-reported data. Second, while information was sought on practices that have been deemed ways of improving instructional effectiveness (with varying degrees of supporting evidence), choices of teaching method are affected by teachers' perceptions of student needs and their own strengths and weaknesses. That a given teacher does or does not adopt a particular practice tells us little about whether that teacher is making the right instructional decisions for her circumstances. Finally, success in using any teaching method depends on implementation. We cannot tell from survey responses whether teachers using particular methods did so in a way that would enhance their effectiveness.

With these caveats in mind, what can we say about the way treatment teachers responded? Treatment teachers differed from control in two major respects: (1) they were more likely to report that they collaborated with other teachers (planning, reviewing student test results, coaching and being coached or observed); and (2) they were more likely to say that they aligned their instruction with the district's mathematics standards and spent classroom time on test preparation, including the taking of practice exams modeled on the TCAP. When we examine the relationship of these practices to student achievement, we do not find a positive, statistically significant association between the second set of activities and student achievement. Nor do we find evidence that the collaborative activities in which treatment teachers engaged were associated with higher test scores, with two exceptions: teachers that acted as mentors or coaches had better results, as did teachers that observed the work of others in the classroom, though the latter is only marginally significant ( $p = 0.14$ ). Because a teacher chosen to be a mentor or coach is likely a more effective teacher to begin with, the association may well be a selection effect.

To conclude, there is little evidence that POINT incentives induced teachers to make substantial changes to their instructional practices or their level of effort, and equally little evidence that the changes they did make were particularly well chosen to increase student achievement, though the

latter inference must be carefully qualified for the reasons indicated above. This might not be disturbing if it were in fact true, as 80 percent of project participants claimed, that they were already teaching as effectively as they could. However, that claim is called into question by the substantial improvement in mathematics achievement across all middle school classrooms over the duration of the project, particularly in the final year when the district faced the threat of state takeover under NCLB. Under that threat, test scores improved. Yet they did not in response to monetary incentives.

The overall negative conclusion is tempered by the finding of a positive response in fifth grade during the second and third years of the experiment. What made fifth grade the exception? It might be explained by the fact that math teachers in fifth grade normally have the same set of students for multiple subjects, giving them the opportunity to increase time spent on math at the expense of other subjects in a way that is not possible in grades 7 and 8, where math teachers typically specialize. While we found limited support for this hypothesis, it did not appear to be a factor in all years. Nor did tests scores fall in other subjects; in fact, they rose in fifth grade science and social studies. Other possibilities remain conjectural. Because fifth grade teachers have fewer students for longer periods, it may be that they achieve better understanding of their students and enjoy greater rapport with them, both of which might contribute to higher achievement when the stakes are raised for teachers. Fifth graders are the youngest students in middle school. Not yet adolescents, they may have been more responsive to attempts by their teachers to cajole from them greater effort.

Finally, while the positive fifth grade effect might seem to be “good news,” the effect did not last. By the end of sixth grade it did not matter whether a student’s fifth grade math teacher had been in the treatment group or the control group. If not spurious, the fifth grade effect seems at best short-lived (though we have not yet been able to test this hypothesis for the third year of the project), possibly a sign that it was achieved by narrowly teaching to the test or test-prep activities that had no enduring impact on achievement.

Teacher surveys obtained information about teachers’ perceptions and attitudes as well as their instructional practices. Some of what we learned is encouraging (if one believes there is a role for performance incentives in education). Teachers on the whole had a moderately positive attitude toward POINT, though it declined slightly over time. Failing to win a bonus did not sour treatment teachers; if anything, they seemed to put forth somewhat greater effort the following year, as measured by the time they put in outside regular school hours. Perceptions of teacher collegiality were not adversely affected by the experiment. The generally positive view of POINT may be due to the fact that teachers were not competing with one another for bonuses. It may also reflect the fact that the project was clearly understood to be an experiment in which even teachers opposed to incentives of this kind could see value.

In sum, the introduction of performance incentives in MNPS middle schools did not set off significant negative reactions of the kind that have attended the introduction of merit pay elsewhere. But neither did it yield consistent and lasting gains in test scores. It simply did not do much of anything. Possibly certain features of the project which were adopted in response to teachers’ concerns ended up limiting its impact. The names of bonus winners were not publicized. Teachers were asked not to communicate to other district employees whether they received bonuses. A performance

measure was used with which teachers were not familiar, and though it was easy to understand, nothing was done to show teachers how to raise their scores. Incentives were not coupled with any form of professional development, curricular innovations, or other pressure to improve performance. All of these may have contributed to a tendency for POINT to fade into the background. By contrast, an intense, high-profile effort to improve test scores to avoid NCLB sanctions appears to have accomplished considerably more. This is not to say that performance incentives would yield greater results if introduced in a similarly stressful manner. Certainly we would expect adverse consequences to multiply. Yet POINT provides little support for the view that it is sufficient to tie teacher compensation to test scores, stand back, and wait for good things to happen.

The implications of these negative findings should not be overstated. That POINT did not have a strong and lasting effect on student achievement does not automatically mean another approach to performance pay would not be successful. It might be more productive to reward teachers in teams or to combine incentives with coaching or professional development. However, our experience with POINT underscores the importance of putting such alternatives to the test.

Finally, we note that advocates of incentive pay often have in mind an entirely different goal from that tested by POINT. Their support rests on the view that over the long term, incentive pay will alter the makeup of the workforce for the better by affecting who enters teaching and how long they remain. POINT was not designed to test that hypothesis and has provided only limited information on retention decisions. A more carefully crafted study conducted over a much longer period of time is required to explore the relationship between compensation reform and professional quality that operates through these channels.

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APPENDIX A:  
WERE POINT PERFORMANCE TARGETS  
UNREALISTIC FOR MOST TEACHERS?

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POINT tests whether large bonuses linked to student test scores motivate teachers in some unspecified set of ways to raise those scores. There are, of course, other ways to design incentives. Teachers might have been offered smaller amounts for incremental improvements over their own past results. In designing POINT as we did, we sought to test one model for radical reform of teacher compensation, in which high rewards are offered for excellent teaching, rather than a set of modest incentives that would yield at best modest results.

However, it may be wondered whether we set the bar at a height where few teachers would be motivated to change their instructional practices or raise their level of effort—that most teachers would regard the performance targets as unattainable no matter what they did, while a smaller number with strong past performance would also have little reason to make changes, but for the opposite reason: they could win a bonus without doing anything different. If the great majority of teachers fall into one of these two groups, only a few on the margin (or “the bubble”) have much incentive to do anything differently.

To address this concern, we examine achievement in the two years immediately before POINT, asking how many of the teachers that participated in POINT would have earned a bonus in one of those years had the same rules been in effect then. Focusing on the teachers for whom we have results in both years, we find 25 were “winners” in 2005 but not 2006, 18 were “winners” in 2006 but not 2005, and 23 would have won in both years, for a total of 66 who won in at least one year, compared to 94 that won in neither. Clearly it is not the case that only a small minority of teachers had a realistic chance of winning, as 41 percent of the teachers observed in both years actually did qualify at least once.

We conduct the same calculation for teachers in the control group during POINT. (Like teachers during the pre-POINT years, control teachers were not eligible for bonuses, so that this tabulation gives us the incidence of rewards assuming a “historical” level of effort.) 30 of the teachers observed in both years “won” at least once, compared to 59 that did not. Of those 59, an additional 8 were “winners” in 2009. Thus, among control teachers that remained in POINT through the final year of the experiment, 38 met the bonus performance target at least once, versus 51 that did not, or 43 percent versus 57 percent.

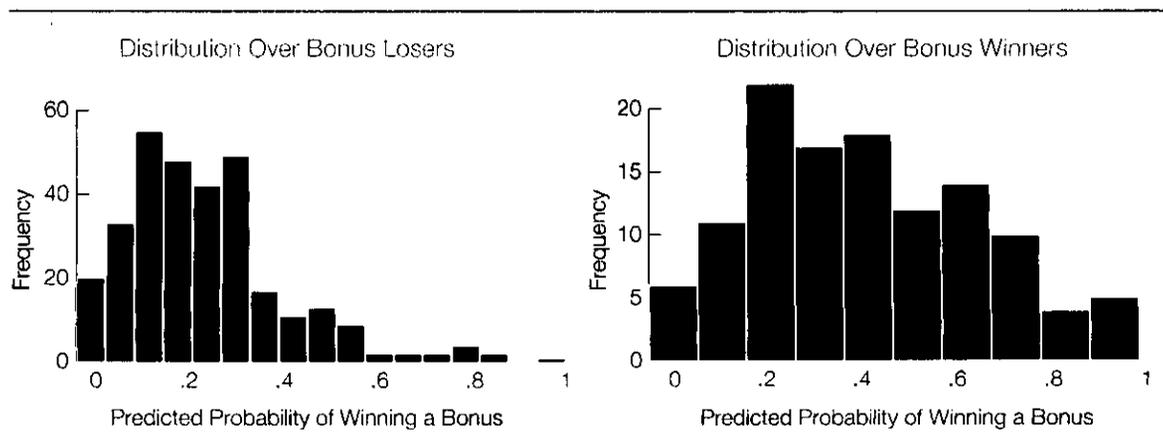
These tabulations overlook those who failed to qualify but came close. For a more nuanced examination of this question, we employ the mean benchmarked score, which, as described above, determined whether a teacher qualified for a bonus. Using a sample of all future participants in the pre-POINT years and the control teachers during the POINT years, we regress this performance measure on its lagged value, obtaining a predicted performance measure (EXPECTED PERFORMANCE)—what a teacher might reasonably have expected her students to do in the coming year, based on the year just completed.<sup>37</sup> We then use this prediction as the independent variable in a logistic regression in which the dependent variable is a binary indicator for whether the teacher

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<sup>37</sup>Note that this prediction incorporates regression to the mean.

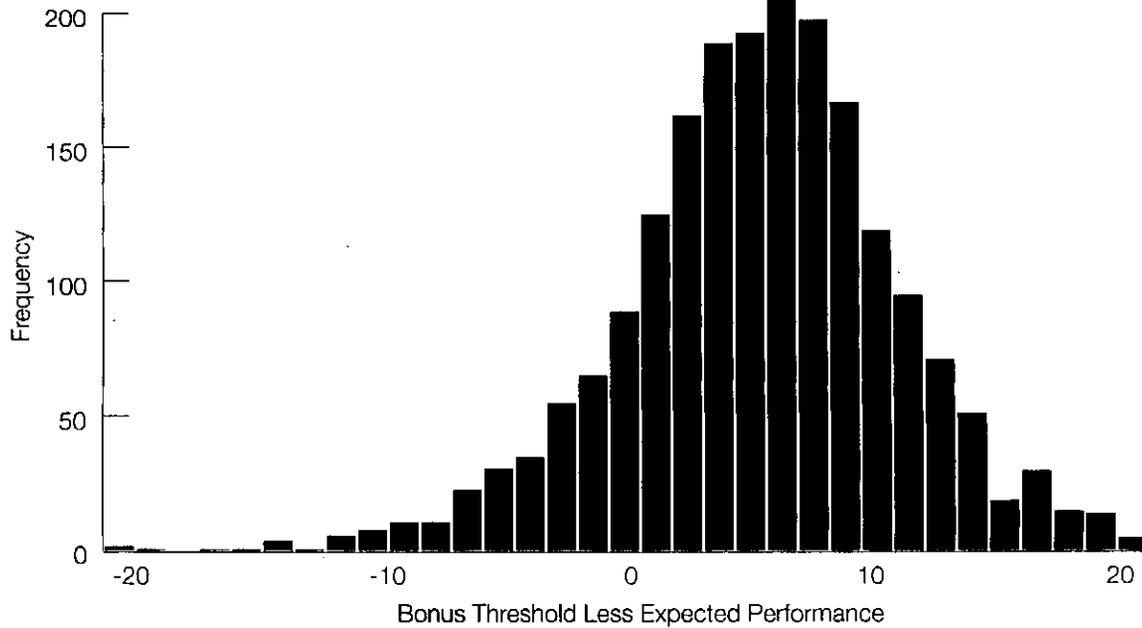
qualifies for a bonus in the coming year. Not surprisingly, EXPECTED PERFORMANCE is a strongly significant predictor of the probability of earning a bonus in the coming year, as teachers that have done well in the past tend to do well in the future. Figure A-1 contains histograms of the predicted probability of winning a bonus—the probabilities predicted from the logistic regression. There are substantial differences between losers and winners in the predicted probability of winning a bonus. Virtually all of the losers have predicted probabilities below 50 percent; only about half of the winners are this low. However, there are very few winners whose predicted probability of earning a bonus was so high that a marginal improvement in performance would have had no payoff.

FIGURE A-1.  
Probability of Winning a Bonus



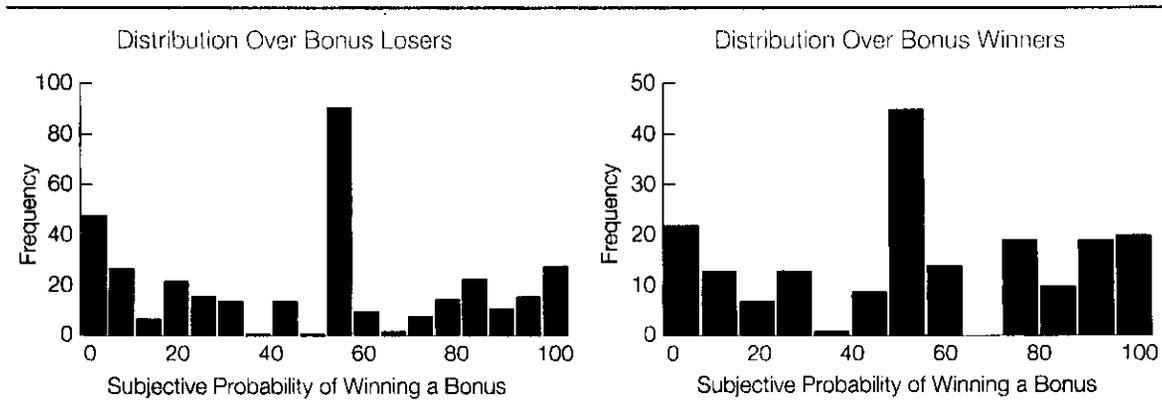
How much did teachers with low probabilities in Figure A-1 have to improve to obtain a bonus? One way to assess whether bonus thresholds appeared out of reach is by the improvement in student scores needed for a teacher to reach the minimum bonus level of 3.6. This is calculated as 3.6 minus EXPECTED PERFORMANCE. The distribution of the resulting values is shown in Figure A-2 (a small number of teachers with values below -20 or above 20 are omitted from the graph). Negative values represent teachers whose EXPECTED PERFORMANCE already exceeded the minimum threshold for earning a bonus. Most teachers are in the positive range. Of this group, half would qualify for a bonus if they could raise their students' performance by 6 scale score points—that is, if on average students could answer 2-3 more test questions correctly (on a test of approximately 55 items in total). If this improvement is more than most teachers could effect on their own, it would appear that some combination of greater effort and good luck was often required to reach the bonus level. However, such combinations were not unusual—as Figure A-1 shows.

FIGURE A-2.  
Required Improvement to Earn a Bonus



The preceding analysis has used data on teachers' performance measures to calculate how likely teachers were to win bonuses as a function of EXPECTED PERFORMANCE. As an alternative, we can use teachers' subjective probabilities of winning bonuses, as reported in surveys conducted each spring during POINT. Arguably, teachers' beliefs are more important than a statistical analysis of historical data in understanding whether the design of POINT provided them with sufficient incentive to modify their practices. Figure A-3 depicts the distribution of these subjective probabilities over bonus losers and winners. Compared to the previous graphs, losers and winners look remarkably similar. Subjective probabilities bear almost no relationship to whether teachers actually won or lost bonuses. Teachers that thought they had almost no chance of earning a bonus are represented about equally in both groups, as are teachers that believed they were a sure thing. In both the modal value is 50 percent.

FIGURE A-3.  
Subjective Probabilities of Winning a Bonus



To conclude, it is not the case that teachers mainly fell into two groups: those for whom the bonus thresholds were hopelessly out of reach, and those who were assured of reaching them without doing anything extra. Chance appears to have had a lot to do in determining who qualified for a bonus. Many bonus “winners” had predicted probabilities between .2 and .4. (Recall that this is an analysis of notional winners who were not actually responding to incentives, so these are not individuals with low ex ante probabilities who worked their way to a higher level in order to earn a bonus.) Thus, bonus thresholds should have appeared within reach of most teachers, as long as they understood that luck was going to play a role in determining whether they actually got there.



APPENDIX B:  
GRADE-LEVEL COMPARISONS OF  
TREATMENT AND CONTROL GROUPS

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TABLE B-1.  
Standardized Adjusted Treatment Versus Control Group Mean Differences Weighted by  
Number of Grade 5 Students Taught

	Year 1	Year 2	Year 3
<i>Teacher Demographics</i>			
Female	-0.11	0.29	0.14
Race			
White	0.12	0.57*	0.51
Black	-0.04	-0.49 <sup>†</sup>	-0.42
Year of birth	0.04	-0.11	0.03
<i>Preparation and Licensure</i>			
Undergraduate mathematics major	-0.31 <sup>†</sup>	-0.41	-0.40
Undergraduate mathematics major or minor	-0.17	-0.39	-0.35
Undergraduate mathematics credits	-0.05	-0.16	-0.14
Highest degree			
Bachelor's only	-0.11	-0.32	-0.39
Master's only	-0.14	-0.23	-0.14
Master's plus 30 credits or advanced degree	0.32 <sup>†</sup>	0.65*	0.64
Alternatively certified	0.17	0.38 <sup>†</sup>	0.10
Professional licensure	-0.00	-0.01	0.22
<i>Teaching Experience</i>			
Year hired	-0.05	-0.04	0.05
Years experience	0.14	0.48 <sup>†</sup>	-0.01
New teacher	0.11	-0.20	-0.29
Tenured	0.05	-0.03	0.15
<i>Professional Development</i>			
Total credits, 2005-06	-0.03	-0.07	-0.21
Core subject credits, 2005-06	0.03	0.03	-0.08
Mathematics credits, 2005-06	0.13	0.10	0.12
<i>Teacher Performance</i>			
Mathematics value added, 2005-06 school year	-0.34	0.23	0.10
Days absent, 2005-06 school year	0.00	0.33 <sup>†</sup>	0.08
<i>Teaching Assignment, Course Description</i>			
Percentage of students in mathematics courses	0.19	0.39 <sup>†</sup>	0.64*
<i>Teaching Assignment, Student Characteristics</i>			
Percentage white students	0.34	0.45	0.20
Percentage black students	-0.52*	-0.58*	-0.53 <sup>†</sup>
Percentage special education students	-0.21**	-0.26**	-0.14
Percentage English Language Learner students	0.31	0.25	0.48
Students' average prior year TCAP reading scores <sup>c</sup>	0.20	0.30	0.06
Students' average prior year TCAP mathematics scores <sup>c</sup>	0.25	0.34	0.09

<sup>†</sup> p < 0.10, \* p < 0.05, and \*\* p < 0.01.

TABLE B-2.  
Standardized Adjusted Treatment Versus Control Group Mean Differences Weighted by  
Number of Grade 6 Students Taught

	Year 1	Year 2	Year 3
<i>Teacher Demographics</i>			
Female	-0.31	0.06	0.31
Race			
White	0.00	-0.04	-0.14
Black	-0.00	0.04	0.14
Year of birth	-0.30	-0.16	-0.11
<i>Preparation and Licensure</i>			
Undergraduate mathematics major	-0.40 <sup>†</sup>	-0.62 <sup>†</sup>	-0.00
Undergraduate mathematics major or minor	-0.42 <sup>†</sup>	-0.62 <sup>†</sup>	-0.00
Undergraduate mathematics credits	-0.00	-0.37	0.24
Highest degree			
Bachelor's only	-0.54*	-0.48	-0.77*
Master's only	0.14	0.30	0.48
Master's plus 30 credits or advanced degree	0.73**	0.34	0.45
Alternatively certified	-0.17	-0.19	-0.36
Professional licensure	0.08	-0.25	-0.02
<i>Teaching Experience</i>			
Year hired	-0.15	0.03	-0.13
Years experience	0.32	0.07	0.24
New teacher	-0.31	0.01	-0.05
Tenured	0.14	-0.10	0.04
<i>Professional Development</i>			
Total credits, 2005-06	-0.16	-0.09	-0.16
Core subject credits, 2005-06	0.01	0.03	-0.01
Mathematics credits, 2005-06	-0.15	0.17	0.02
<i>Teacher Performance</i>			
Mathematics value added, 2005-06 school year	0.60**	0.22	0.30
Days absent, 2005-06 school year	0.05	0.38	0.66*
<i>Teaching Assignment, Course Description</i>			
Percentage of students in mathematics courses	0.07	0.44*	0.57*
<i>Teaching Assignment, Student Characteristics</i>			
Percentage white students	0.19	0.33	0.27
Percentage black students	-0.21	-0.48 <sup>†</sup>	-0.14
Percentage special education students	0.09	0.06	0.11
Percentage English Language Learner students	0.21	0.29 <sup>†</sup>	-0.23
Students' average prior year TCAP reading scores <sup>°</sup>	-0.05	-0.03	0.07
Students' average prior year TCAP mathematics scores <sup>°</sup>	0.00	0.12	0.16

† p < 0.10, \* p < 0.05, and \*\* p < 0.01.

TABLE B-3.

Standardized Adjusted Treatment Versus Control Group Mean Differences Weighted by Number of Grade 7 Students Taught

	Year 1	Year 2	Year 3
<i>Teacher Demographics</i>			
Female	-0.28	-0.34	-0.35
Race			
White	-0.28	-1.00**	-0.80
Black	0.40†	1.48**	1.44*
Year of birth	-0.28	0.11	-0.01
<i>Preparation and Licensure</i>			
Undergraduate mathematics major	-0.13	-0.05	-0.27
Undergraduate mathematics major or minor	-0.06	0.11	0.03
Undergraduate mathematics credits	-0.13	-0.19	-0.71†
Highest degree			
Bachelor's only	0.20	0.37*	-0.00
Master's only	0.31	0.00	0.99*
Master's plus 30 credits or advanced degree	-0.58*	-0.44	-1.22*
Alternatively certified	-0.30	0.05	-0.59
Professional licensure	-0.29	-0.49†	-0.44
<i>Teaching Experience</i>			
Year hired	-0.18	-0.25	-1.21*
Years experience	-0.21	-0.47	-0.17
New teacher	0.34	0.64*	0.73
Tenured	-0.14	-0.65*	-0.50
<i>Professional Development</i>			
Total credits, 2005-06	-0.70*	-0.07	-0.78
Core subject credits, 2005-06	-0.82**	-0.47	-0.37
Mathematics credits, 2005-06	-0.94**	-0.34	-0.16
<i>Teacher Performance</i>			
Mathematics value added, 2005-06 school year	-0.34	-0.96**	-0.78†
Days absent, 2005-06 school year	0.35	0.47	1.00†
<i>Teaching Assignment, Course Description</i>			
Percentage of students in mathematics courses	-0.21	-0.51	-0.68
<i>Teaching Assignment, Student Characteristics</i>			
Percentage white students	-0.38†	-0.36	-0.91†
Percentage black students	0.27	0.32	0.65†
Percentage special education students	-0.00	0.04	0.10†
Percentage English Language Learner students	0.30	0.54*	0.19
Students' average prior year TCAP reading scores <sup>c</sup>	-0.22	-0.13	0.30
Students' average prior year TCAP mathematics scores <sup>c</sup>	-0.10	-0.04	0.21

† p &lt; 0.10, \* p &lt; 0.05, and \*\* p &lt; 0.01.

TABLE B-4.  
Standardized Adjusted Treatment Versus Control Group Mean Differences Weighted by  
Number of Grade 8 Students Taught

	Year 1	Year 2	Year 3
<i>Teacher Demographics</i>			
Female	0.64*	0.92**	0.80†
Race			
White	0.12	0.06	-0.00
Black	-0.10	-0.06	0.00
Year of birth	-0.21	-0.18	0.04
<i>Preparation and Licensure</i>			
Undergraduate mathematics major	0.41	0.59*	0.79*
Undergraduate mathematics major or minor	0.95**	1.10**	1.21**
Undergraduate mathematics credits	0.36	0.53	0.45
Highest degree			
Bachelor's only	0.28	0.15	0.32
Master's only	0.42	0.42	0.08
Master's plus 30 credits or advanced degree	-0.96**	-0.82**	-0.67†
Alternatively certified	-0.45†	-0.59†	-0.60
Professional licensure	0.11	0.18	0.38
<i>Teaching Experience</i>			
Year hired	-0.45†	-0.51†	-0.25
Years experience	0.12	0.23	0.01
New teacher	0.37	0.33	0.11
Tenured	-0.26	0.02	0.04
<i>Professional Development</i>			
Total credits, 2005-06	-0.10	0.19	0.44
Core subject credits, 2005-06	-0.02	-0.02	0.26
Mathematics credits, 2005-06	0.02	-0.02	0.43*
<i>Teacher Performance</i>			
Mathematics value added, 2005-06 school year	0.06	0.01	-0.32
Days absent, 2005-06 school year	0.15	0.30	0.57†
<i>Teaching Assignment, Course Description</i>			
Percentage of students in mathematics courses	-0.09	-0.02	-0.29
<i>Teaching Assignment, Student Characteristics</i>			
Percentage white students	-0.29*	-0.36*	-0.31
Percentage black students	-0.01	-0.02	-0.16
Percentage special education students	-0.00	0.07	0.08
Percentage English Language Learner students	0.29†	0.36*	0.57**
Students' average prior year TCAP reading scores <sup>c</sup>	-0.08	-0.06	-0.19
Students' average prior year TCAP mathematics scores <sup>c</sup>	0.04	0.04	0.00

† p < 0.10, \* p < 0.05, and \*\* p < 0.01.

APPENDIX C:  
ESTIMATES OF TREATMENT EFFECTS ON STUDENT ACHIEVEMENT  
IN READING, SCIENCE, AND SOCIAL STUDIES

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TABLE C-1.  
Reading

School Year	Grade Level				
	All	5	6	7	8
1	-0.01 (0.02)	0.02 (0.04)	-0.03 (0.04)	-0.03 (0.04)	-0.01 (0.04)
2	-0.03 (0.03)	0.01 (0.05)	-0.03 (0.05)	-0.01 (0.05)	-0.08 (0.05)
3	0.01 (0.02)	0.02 (0.05)	0.00 (0.04)	0.02 (0.06)	-0.01 (0.05)

† p < 0.10, \* p < 0.05, and \*\* p < 0.01.

TABLE C-2.  
Science

School Year	Grade Level				
	All	5	6	7	8
1	0.01 (0.03)	0.03 (0.05)	0.04 (0.05)	0.04 (0.06)	-0.07 (0.06)
2	-0.02 (0.05)	0.06 (0.07)	-0.02 (0.07)	0.02 (0.08)	-0.13 (0.08)
3	0.08 <sup>†</sup> (0.04)	0.18* (0.08)	-0.00 (0.07)	0.12 (0.09)	0.06 (0.08)

† p < 0.10, \* p < 0.05, and \*\* p < 0.01.

TABLE C-3.  
Social Studies

School Year	Grade Level				
	All	5	6	7	8
1	0.02 (0.03)	0.07 (0.05)	0.01 (0.05)	-0.02 (0.05)	-0.00 (0.05)
2	0.02 (0.04)	0.13 <sup>†</sup> (0.07)	0.01 (0.07)	-0.05 (0.08)	-0.03 (0.07)
3	0.07 <sup>†</sup> (0.04)	0.17* (0.07)	0.02 (0.06)	0.04 (0.08)	0.06 (0.07)

†  $p < 0.10$ , \*  $p < 0.05$ , and \*\*  $p < 0.01$ .

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ECONOMIC POLICY INSTITUTE  
PROBLEMS WITH USING STUDENT TEST SCORES TO EVALUATE TEACHERS

Note: For those using this synopsis for talking points, I provided a very basic reference throughout the document. It is either taken verbatim from the study or with very general modifications for the sake of clarity. An even more succinct breakdown is provided at the very end of this document with the key highlights.

### INTRODUCTION

Utilizing test scores as a means of determining evaluations or salary increases is ineffective and there is cause for concern with the belief that this will result in increased student achievement. While teacher effectiveness measures can be found in test data, it should only be part of the determination (page 1). The authors suggest that a multi-faceted approach would be the effective manner in which to integrate test scores in evaluations and compensation models, but with the realization that multiple factors impact student achievement that are not controlled by schools or individual teachers.

### EVIDENCE ABOUT THE USE OF TEST SCORES IN EVALUATION

One study found that across five large urban districts, among teachers who were ranked in the top 20% of effectiveness in the first year, fewer than a third were in that top group the next year, and another third moved all the way down to the bottom 40%. Thus, a teacher who appears to be very ineffective in one year might have a dramatically different result the following year. The research community has cautioned against the heavy reliance on test scores, even when sophisticated “value-added modeling” (VAM), such as growth models, are used for high stakes decisions such as pay, evaluation or tenure (page 2).

### FACTORS THAT INFLUENCE STUDENT TEST SCORES ATTRIBUTED TO INDIVIDUAL TEACHERS

A number of other factors have been found to have strong influences on student learning gains, aside from the teachers to whom their scores would be attached. These include the influences of students’ other teachers – both previous teachers and, in secondary schools, current teachers of other subjects – as well as tutors or instructional specialists, who have been found often to have very large influences on achievement gains. These factors include school conditions, such as the quality of curriculum materials, specialist or tutoring supports, class size, and other factors that affect learning. Student test score gains are also strongly influenced by school attendance and a variety of out-of-school learning experiences at home, with peers, at museums and libraries, in summer programs, on=line, and in the community. Summer learning loss can be quite substantial and is significantly linked to socioeconomic status. The higher

status students experience less summer loss than the lower socioeconomic status student (page 3).

#### **POTENTIAL CONSEQUENCES OF INAPPROPRIATE USE OF DATA**

Individual teacher rewards based on comparative student test results can also create disincentives for teacher collaboration. Better schools are collaborative institutions where teachers work across classroom and grade-level boundaries toward the common goal of educating all children to their maximum potential. A school will be more effective if its teachers are more knowledgeable about all students and can coordinate efforts to meet students' needs (page 4).

There is no evidence to indicate that teachers (affected by test scores) would actually be the weakest teachers. Nor is there empirical verification for the claim that teachers will improve student learning if teachers are evaluated based on test score gains or are monetarily rewarded for raising scores (page 5).

#### **FOUR NEGATIVE ASPECTS OF UTILIZING TEST SCORES**

If test scores are used for high-stakes purposes, such as individual personnel decisions or merit pay, extensive use of test-based metrics could create disincentives for teachers to take on the neediest students, to collaborate with one another, or even to stay in the profession (pages 6-8).

- Create Disincentives for Collaboration – With the research-proven positive impact of Professional Learning Communities (PLC) on student achievement, it would seem to be counterproductive to retard collaboration in our schools.
- Private Sector Performance Pay is a Faulty Analogy – The notion that this is how the private sector evaluates professional employees is flawed. In truth, although payment for professional employees is sometimes related to various aspects of their performance, the measurement of this performance almost never depends on narrow quantitative measures analogous to test scores in education. Rather, private-sector managers almost always evaluate their professional and lower-management employees based on qualitative reviews by supervisors; quantitative indicators are used sparingly and in tandem with other evidence. Management experts warn against significant use of quantitative measures for making salary or bonus decisions.
  - A specific example used was that governments in US and Great Britain, attempted to rank cardiac surgeons by their patient's survival rates. It was determined that they created incentives for surgeons to turn away the sickest

patients. It wouldn't be inconceivable to see teachers want to turn away the neediest students in the same scenario.

- Likely Fiscal Ramifications –Considering the national economic environment, performance rewards are likely to come mostly from the redistribution of already-appropriated teacher compensation funds, and thus are not likely to be accompanied by a significant increase in average teacher salaries. If not redistributed funds, it is conceivable that, like Minnesota's QCOMP system, funding to the alternative compensation system will come at the expense of foundation aid funding.
- Flawed Nature of Standardized Tests – It is important that all stakeholders recognize that standardized tests now in use are not perfect, and do not provide unerring measurements of student achievement.

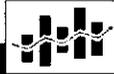
### **FALLACY OF STUDENT ACHIEVEMENT**

Some policy makers assert that it should be easier for students at the bottom of the achievement distribution to make gains because they have more of a gap to overcome. This assumption is not confirmed by research. Indeed, it is just as reasonable to expect that "learning begets learning": students at the top of the distribution could find it easier to make gains, because they have more knowledgeable and skills they can utilize to acquire additional knowledge and skills and, because they are independent learners, they may be able to learn as easily from less effective teachers as from more effective ones (page 10).

Small sample sizes can provide misleading results for many reasons (page 11). This would be indicative of the majority of situations given the rural nature of North Dakota schools.

### **HIGHLIGHTS**

Using test scores is not an appropriate stand-alone measure of teacher effectiveness for evaluations or compensation increase. A myriad of factors, many of which are not in the control of the individual teacher or school district, impact student achievement and that there is potential for negative outcomes on staff morale, work environment and potentially student achievement if inappropriate use of achievement data is tied to evaluations and compensation packages.



# EPI BRIEFING PAPER

ECONOMIC POLICY INSTITUTE • AUGUST 29, 2010 • BRIEFING PAPER #278

**EMBARGOED UNTIL 12:01 AM, AUGUST 29, 2010**

## **PROBLEMS WITH THE USE OF STUDENT TEST SCORES TO EVALUATE TEACHERS**

**CO-AUTHORED BY SCHOLARS CONVENED BY  
THE ECONOMIC POLICY INSTITUTE:**

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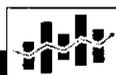
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## PROBLEMS WITH THE USE OF STUDENT TEST SCORES TO EVALUATE TEACHERS

EVA L. BAKER, PAUL E. BARTON, LINDA DARLING-HAMMOND, EDWARD HAERTEL, HELEN F. LADD, ROBERT L. LINN, DIANE RAVITCH, RICHARD ROTHSTEIN, RICHARD J. SHAVELSON, AND LORRIE A. SHEPARD

### Executive summary

Every classroom should have a well-educated, professional teacher, and school systems should recruit, prepare, and retain teachers who are qualified to do the job. Yet in practice, American public schools generally do a poor job of systematically developing and evaluating teachers.

Many policy makers have recently come to believe that this failure can be remedied by calculating the improvement in students' scores on standardized tests in mathematics and reading, and then relying heavily on these calculations to evaluate, reward, and remove the teachers of these tested students.

While there are good reasons for concern about the current system of teacher evaluation, there are also good reasons to be concerned about claims that measuring teachers' effectiveness largely by student test scores will lead to improved student achievement. If new laws or policies specifically require that teachers be fired if their students' test scores do not rise by a certain amount, then more teachers might well be terminated than is now the case. But there is not strong evidence to indicate either that the departing teachers would actually be the weakest teachers, or that the departing teachers would be replaced by more effective ones. There is also little or no evidence for the claim that teachers will be more motivated to improve student learning if teachers are evaluated or monetarily rewarded for student test score gains.

A review of the technical evidence leads us to conclude that, although standardized test scores of students are one piece of information for school leaders to use to make

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judgments about teacher effectiveness, such scores should be only a part of an overall comprehensive evaluation. Some states are now considering plans that would give as much as 50% of the weight in teacher evaluation and compensation decisions to scores on existing tests of basic skills in math and reading. Based on the evidence, we consider this unwise. Any sound evaluation will necessarily involve a balancing of many factors that provide a more accurate view of what teachers in fact do in the classroom and how that contributes to student learning.

## **Evidence about the use of test scores to evaluate teachers**

Recent statistical advances have made it possible to look at student achievement gains after adjusting for some student and school characteristics. These approaches that measure growth using "value-added modeling" (VAM) are fairer comparisons of teachers than judgments based on their students' test scores at a single point in time or comparisons of student cohorts that involve different students at two points in time. VAM methods have also contributed to stronger analyses of school progress, program influences, and the validity of evaluation methods than were previously possible.

Nonetheless, there is broad agreement among statisticians, psychometricians, and economists that student test scores alone are not sufficiently reliable and valid indicators of teacher effectiveness to be used in high-stakes personnel decisions, even when the most sophisticated statistical applications such as value-added modeling are employed.

For a variety of reasons, analyses of VAM results have led researchers to doubt whether the methodology can accurately identify more and less effective teachers. VAM estimates have proven to be unstable across statistical models, years, and classes that teachers teach. One study found that across five large urban districts, among teachers who were ranked in the top 20% of effectiveness in the first year, fewer than a third were in that top group the next year, and another third moved all the way down to the bottom 40%. Another found that teachers' effectiveness ratings in one year could only predict from 4% to 16% of the variation in such ratings in the following year. Thus, a teacher who appears to be very ineffective in one year might have a dramatically different result the following year. The same dramatic fluctuations were found for teachers ranked at the bottom in the first year of analysis. This runs counter to most people's notions that the true quality of a teacher is likely to change very little over time and raises questions about whether what is measured is largely a "teacher effect" or the effect of a wide variety of other factors.

A study designed to test this question used VAM methods to assign effects to teachers after controlling for other factors, but applied the model backwards to see if credible results were obtained. Surprisingly, it found that students' fifth grade teachers were good predictors of their *fourth* grade test scores. Inasmuch as a student's later fifth grade teacher cannot possibly have influenced that student's fourth grade performance, this curious result can only mean that VAM results are based on factors other than teachers' actual effectiveness.

VAM's instability can result from differences in the characteristics of students assigned to particular teachers in a particular year, from small samples of students (made even less representative in schools serving disadvantaged students by high rates of student mobility), from other influences on student learning both inside and outside school, and from tests that are poorly lined up with the curriculum teachers are expected to cover, or that do not measure the full range of achievement of students in the class.

For these and other reasons, the research community has cautioned against the heavy reliance on test scores, even when sophisticated VAM methods are used, for high stakes decisions such as pay, evaluation, or tenure. For instance, the Board on Testing and Assessment of the National Research Council of the National Academy of Sciences stated,

*... VAM estimates of teacher effectiveness should not be used to make operational decisions because such estimates are far too unstable to be considered fair or reliable.*

A review of VAM research from the Educational Testing Service's Policy Information Center concluded,

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*VAM results should not serve as the sole or principal basis for making consequential decisions about teachers. There are many pitfalls to making causal attributions of teacher effectiveness on the basis of the kinds of data available from typical school districts. We still lack sufficient understanding of how seriously the different technical problems threaten the validity of such interpretations.*

And RAND Corporation researchers reported that,

*The estimates from VAM modeling of achievement will often be too imprecise to support some of the desired inferences...*

and that

*The research base is currently insufficient to support the use of VAM for high-stakes decisions about individual teachers or schools.*

## **Factors that influence student test score gains attributed to individual teachers**

A number of factors have been found to have strong influences on student learning gains, aside from the teachers to whom their scores would be attached. These include the influences of students' other teachers—both previous teachers and, in secondary schools, current teachers of other subjects—as well as tutors or instructional specialists, who have been found often to have very large influences on achievement gains. These factors also include school conditions—such as the quality of curriculum materials, specialist or tutoring supports, class size, and other factors that affect learning. Schools that have adopted pull-out, team teaching, or block scheduling practices will only inaccurately be able to isolate individual teacher “effects” for evaluation, pay, or disciplinary purposes.

Student test score gains are also strongly influenced by school attendance and a variety of out-of-school learning experiences at home, with peers, at museums and libraries, in summer programs, on-line, and in the community. Well-educated and supportive parents can help their children with homework and secure a wide variety of other advantages for them. Other children have parents who, for a variety of reasons, are unable to support their learning academically. Student test score gains are also influenced by family resources, student health, family mobility, and the influence of neighborhood peers and of classmates who may be relatively more advantaged or disadvantaged.

Teachers' value-added evaluations in low-income communities can be further distorted by the summer learning loss their students experience between the time they are tested in the spring and the time they return to school in the fall. Research shows that summer gains and losses are quite substantial. A research summary concludes that while students overall lose an average of about one month in reading achievement over the summer, lower-income students lose significantly more, and middle-income students may actually gain in reading proficiency over the summer, creating a widening achievement gap. Indeed, researchers have found that three-fourths of schools identified as being in the bottom 20% of all schools, based on the scores of students during the school year, would not be so identified if differences in learning outside of school were taken into account. Similar conclusions apply to the bottom 5% of all schools.

For these and other reasons, even when methods are used to adjust statistically for student demographic factors and school differences, teachers have been found to receive lower “effectiveness” scores when they teach new English learners, special education students, and low-income students than when they teach more affluent and educationally advantaged students. The nonrandom assignment of students to classrooms and schools—and the wide variation in students' experiences at home and at school—mean that teachers cannot be accurately judged against one another by their students' test scores, even when efforts are made to control for student characteristics in statistical models.

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Recognizing the technical and practical limitations of what test scores can accurately reflect, we conclude that changes in test scores should be used only as a modest part of a broader set of evidence about teacher practice.

## **The potential consequences of the inappropriate use of test-based teacher evaluation**

Besides concerns about statistical methodology, other practical and policy considerations weigh against heavy reliance on student test scores to evaluate teachers. Research shows that an excessive focus on basic math and reading scores can lead to narrowing and over-simplifying the curriculum to only the subjects and formats that are tested, reducing the attention to science, history, the arts, civics, and foreign language, as well as to writing, research, and more complex problem-solving tasks.

Tying teacher evaluation and sanctions to test score results can discourage teachers from wanting to work in schools with the neediest students, while the large, unpredictable variation in the results and their perceived unfairness can undermine teacher morale. Surveys have found that teacher attrition and demoralization have been associated with test-based accountability efforts, particularly in high-need schools.

Individual teacher rewards based on comparative student test results can also create disincentives for teacher collaboration. Better schools are collaborative institutions where teachers work across classroom and grade-level boundaries toward the common goal of educating all children to their maximum potential. A school will be more effective if its teachers are more knowledgeable about all students and can coordinate efforts to meet students' needs.

Some other approaches, with less reliance on test scores, have been found to improve teachers' practice while identifying differences in teachers' effectiveness. They use systematic observation protocols with well-developed, research-based criteria to examine teaching, including observations or videotapes of classroom practice, teacher interviews, and artifacts such as lesson plans, assignments, and samples of student work. Quite often, these approaches incorporate several ways of looking at student learning over time in relation to a teacher's instruction.

Evaluation by competent supervisors and peers, employing such approaches, should form the foundation of teacher evaluation systems, with a supplemental role played by multiple measures of student learning gains that, where appropriate, could include test scores. Some districts have found ways to identify, improve, and as necessary, dismiss teachers using strategies like peer assistance and evaluation that offer intensive mentoring and review panels. These and other approaches should be the focus of experimentation by states and districts.

Adopting an invalid teacher evaluation system and tying it to rewards and sanctions is likely to lead to inaccurate personnel decisions and to demoralize teachers, causing talented teachers to avoid high-needs students and schools, or to leave the profession entirely, and discouraging potentially effective teachers from entering it. Legislatures should not mandate a test-based approach to teacher evaluation that is unproven and likely to harm not only teachers, but also the children they instruct.

## Introduction

Every classroom should have a well-educated, professional teacher. For that to happen, school systems should recruit, prepare, and retain teachers who are qualified to do the job. Once in the classroom, teachers should be evaluated on a regular basis in a fair and systematic way. Effective teachers should be retained, and those with remediable shortcomings should be guided and trained further. Ineffective teachers who do not improve should be removed.

In practice, American public schools generally do a poor job of systematically developing and evaluating teachers. School districts often fall short in efforts to improve the performance of less effective teachers, and failing that, of removing them. Principals typically have too broad a span of control (frequently supervising as many as 30 teachers), and too little time and training to do an adequate job of assessing and supporting teachers. Many principals are themselves unprepared to evaluate the teachers they supervise. Due process requirements in state law and union contracts are sometimes so cumbersome that terminating ineffective teachers can be quite difficult, except in the most extreme cases. In addition, some critics believe that typical teacher compensation systems provide teachers with insufficient incentives to improve their performance.

In response to these perceived failures of current teacher policies, the Obama administration encourages states to make greater use of students' test results to determine a teacher's pay and job tenure. Some advocates of this approach expect the provision of performance-based financial rewards to induce teachers to work harder and thereby increase their effectiveness in raising student achievement. Others expect that the apparent objectivity of test-based measures of teacher performance will permit the expeditious removal of ineffective teachers from the profession and will encourage less effective teachers to resign if their pay stagnates. Some believe that the prospect of higher pay for better performance will attract more effective teachers to the profession and that a flexible pay scale, based in part on test-based measures of effectiveness, will reduce the attrition of more qualified teachers whose commitment to teaching will be strengthened by the prospect of greater financial rewards for success.

Encouragement from the administration and pressure from advocates have already led some states to adopt laws

that require greater reliance on student test scores in the evaluation, discipline, and compensation of teachers. Other states are considering doing so.

## Reasons for skepticism

While there are many reasons for concern about the current system of teacher evaluation, there are also reasons to be skeptical of claims that measuring teachers' effectiveness by student test scores will lead to the desired outcomes. To be sure, if new laws or district policies specifically require that teachers be fired if their students' test scores do not rise by a certain amount or reach a certain threshold, then more teachers might well be terminated than is now the case. But there is no current evidence to indicate either that the departing teachers would actually be the weakest teachers, or that the departing teachers would be replaced by more effective ones. Nor is there empirical verification for the claim that teachers will improve student learning if teachers are evaluated based on test score gains or are monetarily rewarded for raising scores.

The limited existing indirect evidence on this point, which emerges from the country's experience with the No Child Left Behind (NCLB) law, does not provide a very promising picture of the power of test-based accountability to improve student learning. NCLB has used student test scores to evaluate schools, with clear negative sanctions for schools (and, sometimes, their teachers) whose students fail to meet expected performance standards. We can judge the success (or failure) of this policy by examining results on the National Assessment of Educational Progress (NAEP), a federally administered test with low stakes, given to a small (but statistically representative) sample of students in each state.

The NCLB approach of test-based accountability promised to close achievement gaps, particularly for minority students. Yet although there has been some improvement in NAEP scores for African Americans since the implementation of NCLB, the rate of improvement was not much better in the post- than in the pre-NCLB period, and in half the available cases, it was worse. Scores rose at a much more rapid rate before NCLB in fourth grade math and in eighth grade reading, and rose faster after NCLB in fourth grade reading and slightly faster in eighth grade math. Furthermore, in fourth and eighth

TABLE 1

**Average annual rates of test-score growth for African American and white students pre- and post-NCLB in scale score points per year, NAEP scores, main NAEP assessment**

	African American students		White students	
	Pre-NCLB 1990 (1992) - 2003	Post-NCLB 2003-09	Pre-NCLB 1990 (1992) - 2003	Post-NCLB 2003-09
<i>Fourth grade math</i>	2.2	1.0	1.8	0.8
<i>Fourth grade reading</i>	0.5	1.1	0.4	0.3
<i>Eighth grade math</i>	1.2	1.4	1.4	0.9
<i>Eighth grade reading</i>	0.6	0.3	0.5	0.1

SOURCE: Authors' analysis, data retrieved August 17, 2010 using NAEP Data Explorer, <http://nces.ed.gov/nationsreportcard/naepdata/>.

grade reading and math, white students' annual achievement gains were lower after NCLB than before, in some cases considerably lower. **Table 1** displays rates of NAEP test score improvement for African American and white students both before and after the enactment of NCLB. These data do not support the view that that test-based accountability increases learning gains.

Table 1 shows only simple annual rates of growth, without statistical controls. A recent careful econometric study of the causal effects of NCLB concluded that during the NCLB years, there were noticeable gains for students overall in fourth grade math achievement, smaller gains in eighth grade math achievement, but no gains at all in fourth or eighth grade reading achievement. The study did not compare pre- and post-NCLB gains. The study concludes, "The lack of any effect in reading, and the fact that the policy appears to have generated only modestly larger impacts among disadvantaged subgroups in math (and thus only made minimal headway in closing achievement gaps), suggests that, to date, the impact of NCLB has fallen short of its extraordinarily ambitious, eponymous goals."<sup>1</sup>

Such findings provide little support for the view that test-based incentives for schools or individual teachers are likely to improve achievement, or for the expectation that such incentives for individual teachers will suffice to produce gains in student learning. As we show in what follows, research and experience indicate that approaches

to teacher evaluation that rely heavily on test scores can lead to narrowing and over-simplifying the curriculum, and to misidentifying both successful and unsuccessful teachers. These and other problems can undermine teacher morale, as well as provide disincentives for teachers to take on the neediest students. When attached to individual merit pay plans, such approaches may also create disincentives for teacher collaboration. These negative effects can result both from the statistical and practical difficulties of evaluating teachers by their students' test scores.

A second reason to be wary of evaluating teachers by their students' test scores is that so much of the promotion of such approaches is based on a faulty analogy—the notion that this is how the private sector evaluates professional employees. In truth, although payment for professional employees in the private sector is sometimes related to various aspects of their performance, the measurement of this performance almost never depends on narrow quantitative measures analogous to test scores in education. Rather, private-sector managers almost always evaluate their professional and lower-management employees based on qualitative reviews by supervisors; quantitative indicators are used sparingly and in tandem with other evidence. Management experts warn against significant use of quantitative measures for making salary or bonus decisions.<sup>2</sup> The national economic catastrophe that resulted from tying Wall Street employees' compensation to short-term gains rather than to longer-term (but more difficult-to-

measure) goals is a particularly stark example of a system design to be avoided.

Other human service sectors, public and private, have also experimented with rewarding professional employees by simple measures of performance, with comparably unfortunate results.<sup>3</sup> In both the United States and Great Britain, governments have attempted to rank cardiac surgeons by their patients' survival rates, only to find that they had created incentives for surgeons to turn away the sickest patients. When the U.S. Department of Labor rewarded local employment offices for their success in finding jobs for displaced workers, counselors shifted their efforts from training programs leading to good jobs, to more easily found unskilled jobs that might not endure, but that would inflate the counselors' success data. The counselors also began to concentrate on those unemployed workers who were most able to find jobs on their own, diminishing their attention to those whom the employment programs were primarily designed to help.

A third reason for skepticism is that in practice, and especially in the current tight fiscal environment, performance rewards are likely to come mostly from the redistribution of already-appropriated teacher compensation funds, and thus are not likely to be accompanied by a significant increase in average teacher salaries (unless public funds are supplemented by substantial new money from foundations, as is currently the situation in Washington, D.C.). If performance rewards do not raise average teacher salaries, the potential for them to improve the average effectiveness of recruited teachers is limited and will result only if the more talented of prospective teachers are more likely than the less talented to accept the risks that come with an uncertain salary. Once again, there is no evidence on this point.

And finally, it is important for the public to recognize that the standardized tests now in use are not perfect, and do not provide unerring measurements of student achievement. Not only are they subject to errors of various kinds—we describe these in more detail below—but they are narrow measures of what students know and can do, relying largely on multiple-choice items that do not evaluate students' communication skills, depth of knowledge and understanding, or critical thinking and performance abilities. These tests are unlike the more challenging open-

ended examinations used in high-achieving nations in the world.<sup>4</sup> Indeed, U.S. scores on international exams that assess more complex skills dropped from 2000 to 2006,<sup>5</sup> even while state and local test scores were climbing, driven upward by the pressures of test-based accountability.

This seemingly paradoxical situation can occur because drilling students on narrow tests does not necessarily translate into broader skills that students will use outside of test-taking situations. Furthermore, educators can be incentivized by high-stakes testing to inflate test results. At the extreme, numerous cheating scandals have now raised questions about the validity of high-stakes student test scores. Without going that far, the now widespread practice of giving students intense preparation for state tests—often to the neglect of knowledge and skills that are important aspects of the curriculum but beyond what tests cover—has in many cases invalidated the tests as accurate measures of the broader domain of knowledge that the tests are supposed to measure. We see this phenomenon reflected in the continuing need for remedial courses in universities for high school graduates who scored well on standardized tests, yet still cannot read, write or calculate well enough for first-year college courses. As policy makers attach more incentives and sanctions to the tests, scores are more likely to increase without actually improving students' broader knowledge and understanding.<sup>6</sup>

### **The research community consensus**

Statisticians, psychometricians, and economists who have studied the use of test scores for high-stakes teacher evaluation, including its most sophisticated form, value-added modeling (VAM), mostly concur that such use should be pursued only with great caution. Donald Rubin, a leading statistician in the area of causal inference, reviewed a range of leading VAM techniques and concluded:

We do not think that their analyses are estimating causal quantities, except under extreme and unrealistic assumptions.<sup>7</sup>

A research team at RAND has cautioned that:

The estimates from VAM modeling of achievement will often be too imprecise to support some of the desired inferences.<sup>8</sup>



and,

The research base is currently insufficient to support the use of VAM for high-stakes decisions about individual teachers or schools.<sup>9</sup>

Henry Braun, then of the Educational Testing Service, concluded in his review of VAM research:

VAM results should not serve as the sole or principal basis for making consequential decisions about teachers. There are many pitfalls to making causal attributions of teacher effectiveness on the basis of the kinds of data available from typical school districts. We still lack sufficient understanding of how seriously the different technical problems threaten the validity of such interpretations.<sup>10</sup>

In a letter to the Department of Education, commenting on the Department's proposal to use student achievement to evaluate teachers, the Board on Testing and Assessment of the National Research Council of the National Academy of Sciences wrote:

...VAM estimates of teacher effectiveness should not be used to make operational decisions because such estimates are far too unstable to be considered fair or reliable.<sup>11</sup>

And a recent report of a workshop conducted jointly by the National Research Council and the National Academy of Education concluded:

Value-added methods involve complex statistical models applied to test data of varying quality. Accordingly, there are many technical challenges to ascertaining the degree to which the output of these models provides the desired estimates. Despite a substantial amount of research over the last decade and a half, overcoming these challenges has proven to be very difficult, and many questions remain unanswered...<sup>12</sup>

Among the concerns raised by researchers are the prospects that value-added methods can misidentify both successful

and unsuccessful teachers and, because of their instability and failure to disentangle other influences on learning, can create confusion about the relative sources of influence on student achievement. If used for high-stakes purposes, such as individual personnel decisions or merit pay, extensive use of test-based metrics could create disincentives for teachers to take on the neediest students, to collaborate with one another, or even to stay in the profession.

### **Statistical misidentification of effective teachers**

Basing teacher evaluation primarily on student test scores does not accurately distinguish more from less effective teachers because even relatively sophisticated approaches cannot adequately address the full range of statistical problems that arise in estimating a teacher's effectiveness. Efforts to address one statistical problem often introduce new ones. These challenges arise because of the influence of student socioeconomic advantage or disadvantage on learning, measurement error and instability, the non-random sorting of teachers across schools and of students to teachers in classrooms within schools, and the difficulty of disentangling the contributions of multiple teachers over time to students' learning. As a result, reliance on student test scores for evaluating teachers is likely to misidentify many teachers as either poor or successful.

### **The influence of student background on learning**

Social scientists have long recognized that student test scores are heavily influenced by socioeconomic factors such as parents' education and home literacy environment, family resources, student health, family mobility, and the influence of neighborhood peers, and of classmates who may be relatively more advantaged or disadvantaged. Thus, teachers working in affluent suburban districts would almost always look more effective than teachers in urban districts if the achievement scores of their students were interpreted directly as a measure of effectiveness.<sup>13</sup>

New statistical techniques, called value-added modeling (VAM), are intended to resolve the problem of socioeconomic (and other) differences by adjusting for students' prior achievement and demographic characteristics (usually only their income-based eligibility for the subsidized lunch

program, and their race or Hispanic ethnicity).<sup>14</sup> These techniques measure the gains that students make and then compare these gains to those of students whose measured background characteristics and initial test scores were similar, concluding that those who made greater gains must have had more effective teachers.

Value-added approaches are a clear improvement over *status* test-score comparisons (that simply compare the average student scores of one teacher to the average student scores of another); over *change* measures (that simply compare the average student scores of a teacher in one year to her average student scores in the previous year); and over *growth* measures (that simply compare the average student scores of a teacher in one year to the same students' scores when they were in an earlier grade the previous year).<sup>15</sup>

Status measures primarily reflect the higher or lower achievement with which students entered a teacher's classroom at the beginning of the year rather than the contribution of the teacher in the current year. Change measures are flawed because they may reflect differences from one year to the next in the various characteristics of students in a teacher's classroom, as well as other school or classroom-related variables (e.g., the quality of curriculum materials, specialist or tutoring supports, class size, and other factors that affect learning). Growth measures implicitly assume, without justification, that students who begin at different achievement levels should be expected to gain at the same rate, and that all gains are due solely to the individual teacher to whom student scores are attached; growth measures do not control for students' socioeconomic advantages or disadvantages that may affect not only their initial levels but their learning rates.

Although value-added approaches improve over these other methods, the claim that they can "level the playing field" and provide reliable, valid, and fair comparisons of individual teachers is overstated. Even when student demographic characteristics are taken into account, the value-added measures are too unstable (i.e., vary widely) across time, across the classes that teachers teach, and across tests that are used to evaluate instruction, to be used for the high-stakes purposes of evaluating teachers.<sup>16</sup>

### **Multiple influences on student learning**

Because education is both a cumulative and a complex process, it is impossible fully to distinguish the influences of students' other teachers as well as school conditions on their apparent learning, let alone their out-of-school learning experiences at home, with peers, at museums and libraries, in summer programs, on-line, and in the community.

No single teacher accounts for all of a student's achievement. Prior teachers have lasting effects, for good or ill, on students' later learning, and several current teachers can also interact to produce students' knowledge and skills. For example, with VAM, the essay-writing a student learns from his history teacher may be credited to his English teacher, even if the English teacher assigns no writing; the mathematics a student learns in her physics class may be credited to her math teacher. Some students receive tutoring, as well as homework help from well-educated parents. Even among parents who are similarly well- or poorly educated, some will press their children to study and complete homework more than others. Class sizes vary both between and within schools, a factor influencing achievement growth, particularly for disadvantaged children in the early grades.<sup>17</sup> In some schools, counselors or social workers are available to address serious behavior or family problems, and in others they are not. A teacher who works in a well-resourced school with specialist supports may appear to be more effective than one whose students do not receive these supports.<sup>18</sup> Each of these resource differences may have a small impact on a teacher's apparent effectiveness, but cumulatively they have greater significance.

### **Validity and the insufficiency of statistical controls**

Although value-added methods can support stronger inferences about the influences of schools and programs on student growth than less sophisticated approaches, the research reports cited above have consistently cautioned that the contributions of VAM are not sufficient to support high-stakes inferences about individual teachers. Despite the hopes of many, even the most highly developed value-added models fall short of their goal of adequately adjusting for the backgrounds of students and the context of teachers' classrooms. And less sophisticated models do even less

well. The difficulty arises largely because of the nonrandom sorting of teachers to students across schools, as well as the nonrandom sorting of students to teachers within schools.

*Nonrandom sorting of teachers to students across schools:* Some schools and districts have students who are more socioeconomically disadvantaged than others. Several studies show that VAM results are correlated with the socioeconomic characteristics of the students.<sup>19</sup> This means that some of the biases that VAM was intended to correct may still be operating. Of course, it could also be that affluent schools or districts are able to recruit the best teachers. This possibility cannot be ruled out entirely, but some studies control for cross-school variability and at least one study has examined the same teachers with different populations of students, showing that these teachers consistently appeared to be more effective when they taught more academically advanced students, fewer English language learners, and fewer low-income students.<sup>20</sup> This finding suggests that VAM cannot control completely for differences in students' characteristics or starting points.<sup>21</sup>

Teachers who have chosen to teach in schools serving more affluent students may appear to be more effective simply because they have students with more home and school supports for their prior and current learning, and not because they are better teachers. Although VAM attempts to address the differences in student populations in different schools and classrooms by controlling statistically for students' prior achievement and demographic characteristics, this "solution" assumes that the socioeconomic disadvantages that affect children's test scores do not also affect the rates at which they show progress—or the validity with which traditional tests measure their learning gains (a particular issue for English language learners and students with disabilities).

Some policy makers assert that it should be easier for students at the bottom of the achievement distribution to make gains because they have more of a gap to overcome. This assumption is not confirmed by research. Indeed, it is just as reasonable to expect that "learning begets learning": students at the top of the distribution could find it easier to make gains, because they have more knowledge and skills they can utilize to acquire additional knowledge and

skills and, because they are independent learners, they may be able to learn as easily from less effective teachers as from more effective ones.

The pattern of results on any given test could also be affected by whether the test has a high "ceiling"—that is, whether there is considerable room at the top of the scale for tests to detect the growth of students who are already high-achievers—or whether it has a low "floor"—that is, whether skills are assessed along a sufficiently long continuum for low-achieving students' abilities to be measured accurately in order to show gains that may occur below the grade-level standard.<sup>22</sup>

Furthermore, students who have fewer out-of-school supports for their learning have been found to experience significant summer learning loss between the time they leave school in June and the time they return in the fall. We discuss this problem in detail below. For now, suffice it to say that teachers who teach large numbers of low-income students will be noticeably disadvantaged in spring-to-spring test gain analyses, because their students will start the fall further behind than more affluent students who were scoring at the same level in the previous spring.

The most acceptable statistical method to address the problems arising from the non-random sorting of students across schools is to include indicator variables (so-called school fixed effects) for every school in the data set. This approach, however, limits the usefulness of the results because teachers can then be compared only to other teachers in the same school and not to other teachers throughout the district. For example, a teacher in a school with exceptionally talented teachers may not appear to add as much value to her students as others in the school, but if compared to all the teachers in the district, she might fall well above average. In any event, teacher effectiveness measures continue to be highly unstable, whether or not they are estimated using school fixed effects.<sup>23</sup>

*Nonrandom sorting of students to teachers within schools:* A comparable statistical problem arises for teachers within schools, in that teachers' value-added scores are affected by differences in the types of students who happen to be in their classrooms. It is commonplace for teachers to report that this year they had a "better" or "worse" class than last, even if prior achievement or superficial socioeconomic characteristics are similar.

Statistical models cannot fully adjust for the fact that some teachers will have a disproportionate number of students who may be exceptionally difficult to teach (students with poorer attendance, who have become homeless, who have severe problems at home, who come into or leave the classroom during the year due to family moves, etc.) or whose scores on traditional tests are frequently not valid (e.g., those who have special education needs or who are English language learners). In any school, a grade cohort is too small to expect each of these many characteristics to be represented in the same proportion in each classroom.

Another recent study documents the consequences of students (in this case, apparently purposefully) not being randomly assigned to teachers within a school. It uses a VAM to assign effects to teachers after controlling for other factors, but applies the model backwards to see if credible results obtain. Surprisingly, it finds that students' fifth grade teachers appear to be good predictors of students' fourth grade test scores.<sup>24</sup> Inasmuch as a student's later fifth grade teacher cannot possibly have influenced that student's fourth grade performance, this curious result can only mean that students are systematically grouped into fifth grade classrooms based on their fourth grade performance. For example, students who do well in fourth grade may tend to be assigned to one fifth grade teacher while those who do poorly are assigned to another. The usefulness of value-added modeling requires the assumption that teachers whose performance is being compared have classrooms with students of similar ability (or that the analyst has been able to control statistically for all the relevant characteristics of students that differ across classrooms). But in practice, teachers' estimated value-added effect necessarily reflects in part the nonrandom differences between the students they are assigned and not just their own effectiveness.

Purposeful, nonrandom assignment of students to teachers can be a function of either good or bad educational policy. Some grouping schemes deliberately place more special education students in selected inclusion classrooms or organize separate classes for English language learners. Skilled principals often try to assign students with the greatest difficulties to teachers they consider more effective. Also, principals often attempt to make assignments that match students' particular learning needs

to the instructional strengths of individual teachers. Some teachers are more effective with students with particular characteristics, and principals with experience come to identify these variations and consider them in making classroom assignments.

In contrast, some less conscientious principals may purposefully assign students with the greatest difficulties to teachers who are inexperienced, perhaps to avoid conflict with senior staff who resist such assignments. Furthermore, traditional tracking often sorts students by prior achievement. Regardless of whether the distribution of students among classrooms is motivated by good or bad educational policy, it has the same effect on the integrity of VAM analyses: the nonrandom pattern makes it extremely difficult to make valid comparisons of the value-added of the various teachers within a school.

In sum, teachers' value-added effects can be compared only where teachers have the same mix of struggling and successful students, something that almost never occurs, or when statistical measures of effectiveness fully adjust for the differing mix of students, something that is exceedingly hard to do.

### ***Imprecision and instability***

Unlike school, district, and state test score results based on larger aggregations of students, individual classroom results are based on small numbers of students leading to much more dramatic year-to-year fluctuations. Even the most sophisticated analyses of student test score gains generate estimates of teacher quality that vary considerably from one year to the next. In addition to changes in the characteristics of students assigned to teachers, this is also partly due to the small number of students whose scores are relevant for particular teachers.

Small sample sizes can provide misleading results for many reasons. No student produces an identical score on tests given at different times. A student may do less well than her expected score on a specific test if she comes to school having had a bad night's sleep, and may do better than her expected score if she comes to school exceptionally well-rested. A student who is not certain of the correct answers may make more lucky guesses on multiple-choice questions on one test, and more unlucky guesses on another. Researchers studying year-to-year fluctuations

in teacher and school averages have also noted sources of variation that affect the entire group of students, especially the effects of particularly cooperative or particularly disruptive class members.

Analysts must average test scores over large numbers of students to get reasonably stable estimates of average learning. The larger the number of students in a tested group, the smaller will be the average error because positive errors will tend to cancel out negative errors. But the sampling error associated with small classes of, say, 20-30 students could well be too large to generate reliable results. Most teachers, particularly those teaching elementary or middle school students, do not teach enough students in any year for average test scores to be highly reliable.

In schools with high mobility, the number of these students with scores at more than one point in time, so that gains can be measured, is smaller still. When there are small numbers of test-takers, a few students who are distracted during the test, or who are having a "bad" day when tests are administered, can skew the average score considerably. Making matters worse, because most VAM techniques rely on growth calculations from one year to the next, each teacher's value-added score is affected by the measurement error in two different tests. In this respect VAM results are even less reliable indicators of teacher contributions to learning than a single test score. VAM approaches incorporating multiple prior years of data suffer similar problems.

In addition to the size of the sample, a number of other factors also affect the magnitude of the errors that are likely to emerge from value-added models of teacher effectiveness. In a careful modeling exercise designed to account for the various factors, a recent study by researchers at Mathematica Policy Research, commissioned and published by the Institute of Education Sciences of the U.S. Department of Education, concludes that the errors are sufficiently large to lead to the misclassification of many teachers.<sup>25</sup>

The Mathematica models, which apply to teachers in the upper elementary grades, are based on two standard approaches to value-added modeling, with the key elements of each calibrated with data on typical test score gains, class sizes, and the number of teachers in a typical school or district. Specifically, the authors find that if the goal is

to distinguish relatively high or relatively low performing teachers from those with average performance within a district, the error rate is about 26% when three years of data are used for each teacher. This means that in a typical performance measurement system, more than one in four teachers who are in fact teachers of average quality would be misclassified as either outstanding or poor teachers, and more than one in four teachers who should be singled out for special treatment would be misclassified as teachers of average quality. If only one year of data is available, the error rate increases to 36%. To reduce it to 12% would require 10 years of data for each teacher.

Despite the large magnitude of these error rates, the Mathematica researchers are careful to point out that the resulting misclassification of teachers that would emerge from value-added models is still most likely understated because their analysis focuses on imprecision error alone. The failure of policy makers to address some of the validity issues, such as those associated with the nonrandom sorting of students across schools, discussed above, would lead to even greater misclassification of teachers.

Measurement error also renders the estimates of teacher quality that emerge from value-added models highly unstable. Researchers have found that teachers' effectiveness ratings differ from class to class, from year to year, and from test to test, even when these are within the same content area.<sup>26</sup> Teachers also look very different in their measured effectiveness when different statistical methods are used.<sup>27</sup> Teachers' value-added scores and rankings are most unstable at the upper and lower ends of the scale, where they are most likely to be used to allocate performance pay or to dismiss teachers believed to be ineffective.<sup>28</sup>

Because of the range of influences on student learning, many studies have confirmed that estimates of teacher effectiveness are highly unstable. One study examining two consecutive years of data showed, for example, that across five large urban districts, among teachers who were ranked in the bottom 20% of effectiveness in the first year, fewer than a third were in that bottom group the next year, and another third moved all the way up to the top 40%. There was similar movement for teachers who were highly ranked in the first year. Among those who were ranked in the top 20% in the first year, only a third were

similarly ranked a year later, while a comparable proportion had moved to the bottom 40%.<sup>29</sup>

Another study confirmed that big changes from one year to the next are quite likely, with year-to-year correlations of estimated teacher quality ranging from only 0.2 to 0.4.<sup>30</sup> This means that only about 4% to 16% of the variation in a teacher's value-added ranking in one year can be predicted from his or her rating in the previous year.

These patterns, which held true in every district and state under study, suggest that there is not a stable construct measured by value-added measures that can readily be called "teacher effectiveness."

That a teacher who appears to be very effective (or ineffective) in one year might have a dramatically different result the following year, runs counter to most people's notions that the true quality of a teacher is likely to change very little over time. Such instability from year to year renders single year estimates unsuitable for high-stakes decisions about teachers, and is likely to erode confidence both among teachers and among the public in the validity of the approach.

### ***Perverse and unintended consequences of statistical flaws***

The problems of measurement error and other sources of year-to-year variability are especially serious because many policy makers are particularly concerned with removing ineffective teachers in schools serving the lowest-performing, disadvantaged students. Yet students in these schools tend to be more mobile than students in more affluent communities. In highly mobile communities, if two years of data are unavailable for many students, or if teachers are not to be held accountable for students who have been present for less than the full year, the sample is even smaller than the already small samples for a single typical teacher, and the problem of misestimation is exacerbated.

Yet the failure or inability to include data on mobile students also distorts estimates because, on average, more mobile students are likely to differ from less mobile students in other ways not accounted for by the model, so that the students with complete data are not representative of the class as a whole. Even if state data systems

permit tracking of students who change schools, measured growth for these students will be distorted, and attributing their progress (or lack of progress) to different schools and teachers will be problematic.

If policy makers persist in attempting to use VAM to evaluate teachers serving highly mobile student populations, perverse consequences can result. Once teachers in schools or classrooms with more transient student populations understand that their VAM estimates will be based only on the subset of students for whom complete data are available and usable, they will have incentives to spend disproportionately more time with students who have prior-year data or who pass a longevity threshold, and less time with students who arrive mid-year and who may be more in need of individualized instruction. And such response to incentives is not unprecedented: an unintended incentive created by NCLB caused many schools and teachers to focus greater effort on children whose test scores were just below proficiency cutoffs and whose small improvements would have great consequences for describing a school's progress, while paying less attention to children who were either far above or far below those cutoffs.<sup>31</sup>

As noted above, even in a more stable community, the number of students in a given teacher's class is often too small to support reliable conclusions about teacher effectiveness. The most frequently proposed solution to this problem is to limit VAM to teachers who have been teaching for many years, so their performance can be estimated using multiple years of data, and so that instability in VAM measures over time can be averaged out. This statistical solution means that states or districts only beginning to implement appropriate data systems must wait several years for sufficient data to accumulate. More critically, the solution does not solve the problem of nonrandom assignment, and it necessarily excludes beginning teachers with insufficient historical data and teachers serving the most disadvantaged (and most mobile) populations, thus undermining the ability of the system to address the goals policy makers seek.

The statistical problems we have identified here are not of interest only to technical experts. Rather, they are directly relevant to policy makers and to the desirability of efforts to evaluate teachers by their students' scores. To the

extent that this policy results in the incorrect categorization of particular teachers, it can harm teacher morale and fail in its goal of changing behavior in desired directions.

For example, if teachers perceive the system to be generating incorrect or arbitrary evaluations, perhaps because the evaluation of a specific teacher varies widely from year to year for no explicable reason, teachers could well be demoralized, with adverse effects on their teaching and increased desire to leave the profession. In addition, if teachers see little or no relationship between what they are doing in the classroom and how they are evaluated, their incentives to improve their teaching will be weakened.

### **Practical limitations**

The statistical concerns we have described are accompanied by a number of practical problems of evaluating teachers based on student test scores on state tests.

#### ***Availability of appropriate tests***

Most secondary school teachers, all teachers in kindergarten, first, and second grades and some teachers in grades three through eight do not teach courses in which students are subject to external tests of the type needed to evaluate test score gains. And even in the grades where such gains could, in principle, be measured, tests are not designed to do so.

Value-added measurement of growth from one grade to the next should ideally utilize vertically scaled tests, which most states (including large states like New York and California) do not use. In order to be vertically scaled, tests must evaluate content that is measured along a continuum from year to year. Following an NCLB mandate, most states now use tests that measure grade-level standards only and, at the high school level, end-of-course examinations, neither of which are designed to measure such a continuum. These test design constraints make accurate vertical scaling extremely difficult. Without vertically scaled tests, VAM can estimate changes in the relative distribution, or ranking, of students from last year to this, but cannot do so across the full breadth of curriculum content in a particular course or grade level, because many topics are not covered in consecutive years. For example, if multiplication is taught in fourth but not in fifth grade, while fractions and decimals are taught in fifth but not

in fourth grade, measuring math “growth” from fourth to fifth grade has little meaning if tests measure only the grade level expectations. Furthermore, the tests will not be able to evaluate student achievement and progress that occurs well below or above the grade level standards.

Similarly, if probability, but not algebra, is expected to be taught in seventh grade, but algebra and probability are both taught in eighth grade, it might be possible to measure growth in students’ knowledge of probability, but not in algebra. Teachers, however, vary in their skills. Some teachers might be relatively stronger in teaching probability, and others in teaching algebra. Overall, such teachers might be equally effective, but VAM would arbitrarily identify the former teacher as more effective, and the latter as less so. In addition, if probability is tested only in eighth grade, a student’s success may be attributed to the eighth grade teacher even if it is largely a function of instruction received from his seventh grade teacher. And finally, if high school students take end-of-course exams in biology, chemistry, and physics in different years, for example, there is no way to calculate gains on tests that measure entirely different content from year to year.

Thus, testing expert Daniel Koretz concludes that “because of the need for vertically scaled tests, value-added systems may be even more incomplete than some status or cohort-to-cohort systems.”<sup>12</sup>

#### ***Problems of attribution***

It is often quite difficult to match particular students to individual teachers, even if data systems eventually permit such matching, and to unerringly attribute student achievement to a specific teacher. In some cases, students may be pulled out of classes for special programs or instruction, thereby altering the influence of classroom teachers. Some schools expect, and train, teachers of all subjects to integrate reading and writing instruction into their curricula. Many classes, especially those at the middle-school level, are team-taught in a language arts and history block or a science and math block, or in various other ways. In schools with certain kinds of block schedules, courses are taught for only a semester, or even in nine or 10 week rotations, giving students two to four teachers over the course of a year in a given class period, even without considering unplanned teacher turnover. Schools that have adopted pull-out, team

teaching, or block scheduling practices will have additional difficulties in isolating individual teacher “effects” for pay or disciplinary purposes.

Similarly, NCLB requires low-scoring schools to offer extra tutoring to students, provided by the school district or contracted from an outside tutoring service. High quality tutoring can have a substantial effect on student achievement gains.<sup>33</sup> If test scores subsequently improve, should a specific teacher or the tutoring service be given the credit?

### **Summer learning loss**

Teachers should not be held responsible for learning gains or losses during the summer, as they would be if they were evaluated by spring-to-spring test scores. These summer gains and losses are quite substantial. Indeed, researchers have found that three-fourths of schools identified as being in the bottom 20% of all schools, based on the scores of students during the school year, would not be so identified if differences in learning outside of school were taken into account.<sup>34</sup> Similar conclusions apply to the bottom 5% of all schools.<sup>35</sup>

Another recent study showed that two-thirds of the difference between the ninth grade test scores of high and low socioeconomic status students can be traced to summer learning differences over the elementary years.<sup>36</sup> A research summary concluded that while students overall lose an average of about one month in reading achievement over the summer, lower-income students lose significantly more, and middle-income students may actually gain in reading proficiency over the summer, creating a widening achievement gap.<sup>37</sup> Teachers who teach a greater share of lower-income students are disadvantaged by summer learning loss in estimates of their effectiveness that are calculated in terms of gains in their students’ test scores from the previous year.

To rectify obstacles to value-added measurement presented both by the absence of vertical scaling and by differences in summer learning, schools would have to measure student growth within a single school year, not from one year to the next. To do so, schools would have to administer high stakes tests twice a year, once in the fall and once in the spring.<sup>38</sup> While this approach would be preferable in some ways to attempting to measure value-

added from one year to the next, fall and spring testing would force schools to devote even more time to testing for accountability purposes, and would set up incentives for teachers to game the value-added measures. However commonplace it might be under current systems for teachers to respond rationally to incentives by artificially inflating end-of-year scores by drill, test preparation activities, or teaching to the test, it would be so much easier for teachers to inflate their value-added ratings by discouraging students’ high performance on a September test, if only by not making the same extraordinary efforts to boost scores in the fall that they make in the spring.

The need, mentioned above, to have test results ready early enough in the year to influence not only instruction but also teacher personnel decisions is inconsistent with fall to spring testing, because the two tests must be spaced far enough apart in the year to produce plausibly meaningful information about teacher effects. A test given late in the spring, with results not available until the summer, is too late for this purpose. Most teachers will already have had their contracts renewed and received their classroom assignments by this time.<sup>39</sup>

### **Unintended negative effects**

Although the various reasons to be skeptical about the use of student test scores to evaluate teachers, along with the many conceptual and practical limitations of empirical value added measures, might suffice by themselves to make one wary of the move to test-based evaluation of teachers, they take on even greater significance in light of the potential for large negative effects of such an approach.

### **Disincentives for teachers to work with the neediest students**

Using test scores to evaluate teachers unfairly disadvantages teachers of the neediest students. Because of the inability of value-added methods to fully account for the differences in student characteristics and in school supports, as well as the effects of summer learning loss, teachers who teach students with the greatest educational needs will appear to be less effective than they are. This could lead to the inappropriate dismissal of teachers of low-income and minority students, as well as of students with special educational needs. The success of such teachers is not



accurately captured by relative value-added metrics, and the use of VAM to evaluate such teachers could exacerbate disincentives to teach students with high levels of need. Teachers are also likely to be aware of personal circumstances (a move, an illness, a divorce) that are likely to affect individual students' learning gains but are not captured by value-added models. Within a school, teachers will have incentives to avoid working with such students likely to pull down their teacher effectiveness scores.

### **Narrowing the curriculum**

Narrowing of the curriculum to increase time on what is tested is another negative consequence of high-stakes uses of value-added measures for evaluating teachers. This narrowing takes the form both of reallocations of effort *between* the subject areas covered in a full grade-level curriculum, and of reallocations of effort *within* subject areas themselves.<sup>40</sup>

The tests most likely to be used in any test-based teacher evaluation program are those that are currently required under NCLB, or that will be required under its reauthorized version. The current law requires that all students take standardized tests in math and reading each year in grades three through eight, and once while in high school. Although NCLB also requires tests in general science, this subject is tested only once in the elementary and middle grades, and the law does not count the results of these tests in its identification of inadequate schools. In practice, therefore, evaluating teachers by their students' test scores means evaluating teachers only by students' basic math and/or reading skills, to the detriment of other knowledge, skills, and experiences that young people need to become effective participants in a democratic society and contributors to a productive economy.

Thus, for elementary (and some middle-school) teachers who are responsible for all (or most) curricular areas, evaluation by student test scores creates incentives to diminish instruction in history, the sciences, the arts, music, foreign language, health and physical education, civics, ethics and character, all of which we expect children to learn. Survey data confirm that even with the relatively mild school-wide sanctions for low test scores provided by NCLB, schools have diminished time devoted to curricular areas other than math and reading. This shift

was most pronounced in districts where schools were most likely to face sanctions—districts with schools serving low-income and minority children.<sup>41</sup> Such pressures to narrow the curriculum will certainly increase if sanctions for low test scores are toughened to include the loss of pay or employment for individual teachers.

Another kind of narrowing takes place *within* the math and reading instructional programs themselves. There are two reasons for this outcome.

First, it is less expensive to grade exams that include only, or primarily, multiple-choice questions, because such questions can be graded by machine inexpensively, without employing trained professional scorers. Machine grading is also faster, an increasingly necessary requirement if results are to be delivered in time to categorize schools for sanctions and interventions, make instructional changes, and notify families entitled to transfer out under the rules created by No Child Left Behind. And scores are also needed quickly if test results are to be used for timely teacher evaluation. (If teachers are found wanting, administrators should know this before designing staff development programs or renewing teacher contracts for the following school year.)

As a result, standardized annual exams, if usable for high-stakes teacher or school evaluation purposes, typically include no or very few extended-writing or problem-solving items, and therefore do not measure conceptual understanding, communication, scientific investigation, technology and real-world applications, or a host of other critically important skills. Not surprisingly, several states have eliminated or reduced the number of writing and problem-solving items from their standardized exams since the implementation of NCLB.<sup>42</sup> Although some reasoning and other advanced skills can be tested with multiple-choice questions, most cannot be, so teachers who are evaluated by students' scores on multiple-choice exams have incentives to teach only lower level, procedural skills that can easily be tested.

Second, an emphasis on test results for individual teachers exacerbates the well-documented incentives for teachers to focus on narrow test-taking skills, repetitive drill, and other undesirable instructional practices. In mathematics, a brief exam can only sample a few of the many topics that teachers are expected to cover in the

course of a year.<sup>43</sup> After the first few years of an exam's use, teachers can anticipate which of these topics are more likely to appear, and focus their instruction on these likely-to-be-tested topics, to be learned in the format of common test questions. Although specific questions may vary from year to year, great variation in the format of test questions is not practical because the expense of developing and field-testing significantly different exams each year is too costly and would undermine statistical equating procedures used to ensure the comparability of tests from one year to the next. As a result, increasing scores on students' mathematics exams may reflect, in part, greater skill by their teachers in predicting the topics and types of questions, if not necessarily the precise questions, likely to be covered by the exam. This practice is commonly called "teaching to the test." It is a rational response to incentives and is not unlawful, provided teachers do not gain illicit access to specific forthcoming test questions and prepare students for them.

Such test preparation has become conventional in American education and is reported without embarrassment by educators. A recent *New York Times* report, for example, described how teachers prepare students for state high school history exams:

As at many schools...teachers and administrators...prepare students for the tests. They analyze tests from previous years, which are made public, looking for which topics are asked about again and again. They say, for example, that the history tests inevitably include several questions about industrialization and the causes of the two world wars.<sup>44</sup>

A teacher who prepares students for questions about the causes of the two world wars may not adequately be teaching students to understand the consequences of these wars, although both are important parts of a history curriculum. Similarly, if teachers know they will be evaluated by their students' scores on a test that predictably asks questions about triangles and rectangles, teachers skilled in preparing students for calculations involving these shapes may fail to devote much time to polygons, an equally important but somewhat more difficult topic in the overall math curriculum.

In English, state standards typically include skills such as learning how to use a library and select appropriate books, give an oral presentation, use multiple sources of information to research a question and prepare a written argument, or write a letter to the editor in response to a newspaper article. However, these standards are not generally tested, and teachers evaluated by student scores on standardized tests have little incentive to develop student skills in these areas.<sup>45</sup>

A different kind of narrowing also takes place in reading instruction. Reading proficiency includes the ability to interpret written words by placing them in the context of broader background knowledge.<sup>46</sup> Because children come to school with such wide variation in their background knowledge, test developers attempt to avoid unfairness by developing standardized exams using short, highly simplified texts.<sup>47</sup> Test questions call for literal meaning—identifying the main idea, picking out details, getting events in the right order—but without requiring inferential or critical reading abilities that are an essential part of proficient reading. It is relatively easy for teachers to prepare students for such tests by drilling them in the mechanics of reading, but this behavior does not necessarily make them good readers.<sup>48</sup> Children prepared for tests that sample only small parts of the curriculum and that focus excessively on mechanics are likely to learn test-taking skills in place of mathematical reasoning and reading for comprehension. Scores on such tests will then be "inflated," because they suggest better mathematical and reading ability than is in fact the case.

We can confirm that some score inflation has systematically taken place because the improvement in test scores of students reported by states on their high-stakes tests used for NCLB or state accountability typically far exceeds the improvement in test scores in math and reading on the NAEP.<sup>49</sup> Because no school can anticipate far in advance that it will be asked to participate in the NAEP sample, nor which students in the school will be tested, and because no consequences for the school or teachers follow from high or low NAEP scores, teachers have neither the ability nor the incentive to teach narrowly to expected test topics. In addition, because there is no time pressure to produce results with fast electronic scoring, NAEP can use a variety of question formats including multiple-choice,

constructed response, and extended open-ended responses.<sup>50</sup> NAEP also is able to sample many more topics from a grade's usual curriculum because in any subject it assesses, NAEP uses several test booklets that cover different aspects of the curriculum, with overall results calculated by combining scores of students who have been given different booklets. Thus, when scores on state tests used for accountability rise rapidly (as has typically been the case), while scores on NAEP exams for the same subjects and grades rise slowly or not at all, we can be reasonably certain that instruction was focused on the fewer topics and item types covered by the state tests, while topics and formats not covered on state tests, but covered on NAEP, were shortchanged.<sup>51</sup>

Another confirmation of score inflation comes from the Programme for International Student Assessment (PISA), a set of exams given to samples of 15-year-old students in over 60 industrialized and developing nations. PISA is highly regarded because, like national exams in high-achieving nations, it does not rely largely upon multiple-choice items. Instead, it evaluates students' communication and critical thinking skills, and their ability to demonstrate that they can use the skills they have learned. U.S. scores and rankings on the international PISA exams dropped from 2000 to 2006, even while state and local test scores were climbing, driven upward by the pressures of test-based accountability. The contrast confirms that drilling students for narrow tests such as those used for accountability purposes in the United States does not necessarily translate into broader skills that students will use outside of test-taking situations.

A number of U.S. experiments are underway to determine if offers to teachers of higher pay, conditional on their students having higher test scores in math and reading, actually lead to higher student test scores in these subjects. We await the results of these experiments with interest. Even if they show that monetary incentives for teachers lead to higher scores in reading and math, we will still not know whether the higher scores were achieved by superior instruction or by more drill and test preparation, and whether the students of these teachers would perform equally well on tests for which they did not have specific preparation. Until such questions have been explored, we

should be cautious about claims that experiments prove the value of pay-for-performance plans.

### **Less teacher collaboration**

Better schools are collaborative institutions where teachers work across classroom and grade-level boundaries towards the common goal of educating all children to their maximum potential.<sup>52</sup> A school will be more effective if its teachers are more knowledgeable about all students and can coordinate efforts to meet students' needs. Collaborative work among teachers with different levels and areas of skill and different types of experience can capitalize on the strengths of some, compensate for the weaknesses of others, increase shared knowledge and skill, and thus increase their school's overall professional capacity.

In one recent study, economists found that peer learning among small groups of teachers was the most powerful predictor of improved student achievement over time.<sup>53</sup> Another recent study found that students achieve more in mathematics and reading when they attend schools characterized by higher levels of teacher collaboration for school improvement.<sup>54</sup> To the extent that teachers are given incentives to pursue individual monetary rewards by posting greater test score gains than their peers, teachers may also have incentives to cease collaborating. Their interest becomes self-interest, not the interest of students, and their instructional strategies may distort and undermine their school's broader goals.<sup>55</sup>

To enhance productive collaboration among all of a school's staff for the purpose of raising overall student scores, group (school-wide) incentives are preferred to incentives that attempt to distinguish among teachers.

Individual incentives, even if they could be based on accurate signals from student test scores, would be unlikely to have a positive impact on overall student achievement for another reason. Except at the very bottom of the teacher quality distribution where test-based evaluation could result in termination, individual incentives will have little impact on teachers who are aware they are less effective (and who therefore expect they will have little chance of getting a bonus) or teachers who are aware they are stronger (and who therefore expect to get a bonus without additional effort). Studies

in fields outside education have also documented that when incentive systems require employees to compete with one another for a fixed pot of monetary reward, collaboration declines and client outcomes suffer.<sup>56</sup> On the other hand, with group incentives, everyone has a stronger incentive to be productive and to help others to be productive as well.<sup>57</sup>

A commonplace objection to a group incentive system is that it permits free riding—teachers who share in rewards without contributing additional effort. If the main goal, however, is student welfare, group incentives are still preferred, even if some free-riding were to occur.

Group incentives also avoid some of the problems of statistical instability we noted above: because a full school generates a larger sample of students than an individual classroom. The measurement of average achievement for all of a school's students is, though still not perfectly reliable, more stable than measurement of achievement of students attributable to a specific teacher.

Yet group incentives, however preferable to individual incentives, retain other problems characteristic of individual incentives. We noted above that an individual incentive system that rewards teachers for their students' mathematics and reading scores can result in narrowing the curriculum, both by reducing attention paid to non-tested curricular areas, and by focusing attention on the specific math and reading topics and skills most likely to be tested. A group incentive system can exacerbate this narrowing, if teachers press their colleagues to concentrate effort on those activities most likely to result in higher test scores and thus in group bonuses.

### **Teacher demoralization**

Pressure to raise student test scores, to the exclusion of other important goals, can demoralize good teachers and, in some cases, provoke them to leave the profession entirely.

Recent survey data reveal that accountability pressures are associated with higher attrition and reduced morale, especially among teachers in high-need schools.<sup>58</sup> Although such survey data are limited, anecdotes abound regarding the demoralization of apparently dedicated and talented teachers, as test-based accountability intensifies. Here, we reproduce two such stories, one from a St. Louis and another from a Los Angeles teacher:

*No Child Left Behind* has completely destroyed everything I ever worked for... We now have an enforced 90-minute reading block. Before, we always had that much reading in our schedule, but the difference now is that it's 90 minutes of uninterrupted time. It's impossible to schedule a lot of the things that we had been able to do before... If you take 90 minutes of time, and say no kids can come out at that time, you can't fit the drama, band, and other specialized programs in... There is a ridiculous emphasis on fluency—reading is now about who can talk the fastest. Even the gifted kids don't read for meaning; they just go as fast as they possibly can. Their vocabulary is nothing like it used to be. We used to do Shakespeare, and half the words were unknown, but they could figure it out from the context. They are now very focused on phonics of the words and the mechanics of the words, even the very bright kids are... Teachers feel isolated. It used to be different. There was more team teaching. They would say, "Can you take so-and-so for reading because he is lower?" That's not happening... Teachers are as frustrated as I've ever seen them. The kids haven't stopped wetting pants, or coming to school with no socks, or having arguments and fights at recess. They haven't stopped doing what children do but the teachers don't have time to deal with it. They don't have time to talk to their class, and help the children figure out how to resolve things without violence. Teachable moments to help the schools and children function are gone. But the kids need this kind of teaching, especially inner-city kids and especially at the elementary levels.<sup>59</sup>

and,

[T]he pressure became so intense that we had to show how every single lesson we taught connected to a standard that was going to be tested. This meant that art, music, and even science and social studies were not a priority and were hardly ever taught. We were forced to spend ninety percent of the instructional time on reading and math.

This made teaching boring for me and was a huge part of why I decided to leave the profession.<sup>60</sup>

If these anecdotes reflect the feelings of good teachers, then analysis of student test scores may distinguish teachers who are more able to raise test scores, but encourage teachers who are truly more effective to leave the profession.

## Conclusions and recommendations

Used with caution, value-added modeling can add useful information to comprehensive analyses of student progress and can help support stronger inferences about the influences of teachers, schools, and programs on student growth.

We began by noting that some advocates of using student test scores for teacher evaluation believe that doing so will make it easier to dismiss ineffective teachers. However, because of the broad agreement by technical experts that student test scores alone are not a sufficiently reliable or valid indicator of teacher effectiveness, any school district that bases a teacher's dismissal on her students' test scores is likely to face the prospect of drawn-out and expensive arbitration and/or litigation in which experts will be called to testify, making the district unlikely to prevail. The problem that advocates had hoped to solve will remain, and could perhaps be exacerbated.

There is simply no shortcut to the identification and removal of ineffective teachers. It must surely be done, but such actions will unlikely be successful if they are based on over-reliance on student test scores whose flaws can so easily provide the basis for successful challenges to any personnel action. Districts seeking to remove ineffective teachers must invest the time and resources in a comprehensive approach to evaluation that incorporates concrete steps for the improvement of teacher performance based on professional standards of instructional practice, and unambiguous evidence for dismissal, if improvements do not occur.

Some policy makers, acknowledging the inability fairly to identify effective or ineffective teachers by their students' test scores, have suggested that low test scores (or value-added estimates) should be a "trigger" that invites further investigation. Although this approach seems to allow for multiple means of evaluation, in reality 100%

of the weight in the trigger is test scores. Thus, all the incentives to distort instruction will be preserved to avoid identification by the trigger, and other means of evaluation will enter the system only after it is too late to avoid these distortions.

While those who evaluate teachers could take student test scores over time into account, they should be fully aware of their limitations, and such scores should be only one element among many considered in teacher profiles. Some states are now considering plans that would give as much as 50% of the weight in teacher evaluation and compensation decisions to scores on existing poor-quality tests of basic skills in math and reading. Based on the evidence we have reviewed above, we consider this unwise. If the quality, coverage, and design of standardized tests were to improve, some concerns would be addressed, but the serious problems of attribution and nonrandom assignment of students, as well as the practical problems described above, would still argue for serious limits on the use of test scores for teacher evaluation.

Although some advocates argue that admittedly flawed value-added measures are preferred to existing cumbersome measures for identifying, remediating, or dismissing ineffective teachers, this argument creates a false dichotomy. It implies there are only two options for evaluating teachers—the ineffectual current system or the deeply flawed test-based system.

Yet there are many alternatives that should be the subject of experiments. The Department of Education should actively encourage states to experiment with a range of approaches that differ in the ways in which they evaluate teacher practice and examine teachers' contributions to student learning. These experiments should all be fully evaluated.

There is no perfect way to evaluate teachers. However, progress has been made over the last two decades in developing standards-based evaluations of teaching practice, and research has found that the use of such evaluations by some districts has not only provided more useful evidence about teaching practice, but has also been associated with student achievement gains and has helped teachers improve their practice and effectiveness.<sup>61</sup> Structured performance assessments of teachers like those offered by the National Board for Professional Teaching Standards and

the beginning teacher assessment systems in Connecticut and California have also been found to predict teacher's effectiveness on value-added measures and to support teacher learning.<sup>62</sup>

These systems for observing teachers' classroom practice are based on professional teaching standards grounded in research on teaching and learning. They use systematic observation protocols with well-developed, research-based criteria to examine teaching, including observations or videotapes of classroom practice, teacher interviews, and artifacts such as lesson plans, assignments, and samples of student work. Quite often, these approaches incorporate several ways of looking at student learning over time in relation to the teacher's instruction.

Evaluation by competent supervisors and peers, employing such approaches, should form the foundation of teacher evaluation systems, with a supplemental role played by multiple measures of student learning gains that, where appropriate, should include test scores. Given the importance of teachers' collective efforts to improve overall student achievement in a school, an additional component of documenting practice and outcomes should focus on the effectiveness of teacher participation in teams and the contributions they make to school-wide improvement, through work in curriculum development, sharing practices and materials, peer coaching and reciprocal observation, and collegial work with students.

In some districts, peer assistance and review programs—using standards-based evaluations that incorporate evidence of student learning, supported by expert teachers who can offer intensive assistance, and panels of administrators and teachers that oversee personnel decisions—

have been successful in coaching teachers, identifying teachers for intervention, providing them assistance, and efficiently counseling out those who do not improve.<sup>63</sup> In others, comprehensive systems have been developed for examining teacher performance in concert with evidence about outcomes for purposes of personnel decision making and compensation.<sup>64</sup>

Given the range of measures currently available for teacher evaluation, and the need for research about their effective implementation and consequences, legislatures should avoid imposing mandated solutions to the complex problem of identifying more and less effective teachers. School districts should be given freedom to experiment, and professional organizations should assume greater responsibility for developing standards of evaluation that districts can use. Such work, which must be performed by professional experts, should not be pre-empted by political institutions acting without evidence. The rule followed by any reformer of public schools should be: "First, do no harm."

As is the case in every profession that requires complex practice and judgments, precision and perfection in the evaluation of teachers will never be possible. Evaluators may find it useful to take student test score information into account in their evaluations of teachers, provided such information is embedded in a more comprehensive approach. What is now necessary is a comprehensive system that gives teachers the guidance and feedback, supportive leadership, and working conditions to improve their performance, and that permits schools to remove persistently ineffective teachers without distorting the entire instructional program by imposing a flawed system of standardized quantification of teacher quality.

## Endnotes

1. Dee and Jacob 2009, p. 36.
2. Rothstein, Jacobsen, and Wilder 2008, pp. 93-96.
3. Jauhar 2008; Rothstein, Jacobsen, and Wilder 2008, pp. 83-93.
4. Darling-Hammond 2010.
5. Baldi et al. 2007.
6. For a further discussion, see Ravitch 2010, Chapter 6.
7. Rubin, Stuart, and Zanutto 2004, p. 113
8. McCaffrey et al. 2004, p. 96.
9. McCaffrey et al. 2003, p. xx.
10. Braun 2005, p. 17.
11. BOTA 2009.
12. Braun, Chudowsky, and Koenig, 2010, p. vii.
13. Some policy makers seek to minimize these realities by citing teachers or schools who achieve exceptional results with disadvantaged students. Even where these accounts are true, they only demonstrate that more effective teachers and schools achieve better results, on average, with disadvantaged students than less effective teachers and schools achieve; they do not demonstrate that more effective teachers and schools achieve average results for disadvantaged students that are typical for advantaged students.
14. In rare cases, more complex controls are added to account for the influence of peers (i.e., the proportion of other students in a class who have similar characteristics) or the competence of the school's principal and other leadership.
15. This taxonomy is suggested by Braun, Chudowsky, and Koenig 2010, pp. 3ff.
16. Rothstein 2010; Newton et al. forthcoming; Lockwood et al. 2007; Sass 2008.
17. Krueger 2003; Mosteller 1995; Glass et al. 1982.
18. For example, studies have found the effects of one-on-one or small group tutoring, generally conducted in pull-out sessions or after school by someone other than the classroom teacher, can be quite substantial. A meta-analysis (Cohen, Kulik, and Kulik 1982) of 52 tutoring studies reported that tutored students outperformed their classroom controls by a substantial average effect size of .40. Bloom (1984) noted that the average tutored student registered large gains of about 2 standard deviations above the average of a control class.
19. Newton et al., forthcoming.
20. Newton et al., forthcoming.
21. McCaffrey et al. (2004, p. 67) likewise conclude that "student characteristics are likely to confound estimated teacher effects when schools serve distinctly different populations."
22. Poor measurement of the lowest achieving students has been exacerbated under NCLB by the policy of requiring alignment of tests to grade-level standards. If tests are too difficult, or if they are not aligned to the content students are actually learning, then they will not reflect actual learning gains.
23. Newton et al., forthcoming; Sass 2008; Schochet and Chiang 2010; Koedel and Betts 2007.
24. Rothstein 2010.
25. Schochet and Chiang 2010.
26. Sass 2008; Lockwood et al. 2007; Newton et al., forthcoming.
27. Newton et al., forthcoming; Rothstein 2010.
28. Braun 2005.
29. Sass 2008, citing Koedel and Betts 2007; McCaffrey et al. 2009. For similar findings, see Newton et al., forthcoming.
30. McCaffrey et al. 2009.
31. Diamond and Cooper 2007.
32. Koretz 2008b, p. 39.
33. See endnote 19, above, for citations to research on the impact of tutoring.
34. Downey, von Hippel, and Hughes 2008.
35. Heller, Downey, and von Hippel, forthcoming.
36. Alexander, Entwisle, and Olson 2007.
37. Cooper et al. 1996.
38. Although fall-to-spring testing ameliorates the vertical scaling problems, it does not eliminate them. Just as many topics are not taught continuously from one grade to another, so are many topics not taught continuously from fall to spring. During the course of a year, students are expected to acquire new knowledge and skills, some of which build on those from the beginning of the year, and some of which do not.
39. To get timely results, Colorado administers its standardized testing in March. Florida gave its writing test last year in mid-February and its reading, mathematics, and science tests in mid-March. Illinois did its accountability testing this year at the beginning of March. Texas has scheduled its testing to begin next year on March 1. Advocates of evaluating teachers by students' fall-to-spring growth have not explained how, within reasonable budgetary constraints, all spring testing can be moved close to the end of the school year.
40. This formulation of the distinction has been suggested by Koretz 2008a.
41. McMurrer 2007; McMurrer 2008.
42. GAO 2009, p. 19.
43. For a discussion of curriculum sampling in tests, see Koretz 2008a, especially Chapter 2.
44. Medina 2010.
45. This argument has recently been developed in Hemphill and Nauer et al. 2010.
46. Hirsch 2006; Hirsch and Pondiscio 2010.
47. For discussion of these practices, see Ravitch 2003.
48. There is a well-known decline in relative test scores for low-income and minority students that begins at or just after the fourth grade, when more complex inferential skills and deeper background knowledge begin to play a somewhat larger, though still small role in standardized tests. Children who are enabled to do well by drilling the mechanics of decoding and simple, literal

interpretation often do more poorly on tests in middle school and high school because they have neither the background knowledge nor the interpretive skills for the tasks they later confront. As the grade levels increase, gaming the exams by test prep becomes harder, though not impossible, if instruction begins to provide solid background knowledge in content areas and inferential skills. This is why accounts of large gains from test prep drill mostly concern elementary schools.

49. Lee 2006.
50. An example of a "constructed response" item might be a math problem for which a student must provide the correct answer and demonstrate the procedures for solving, without being given alternative correct and incorrect answers from which to choose. An example of an "open-ended response" might be a short essay for which there is no single correct answer, but in which the student must demonstrate insight, creativity, or reasoning ability.
51. Although less so than state standardized tests, even NAEP suffers from an excessive focus on "content-neutral" procedural skills, so the faster growth of state test scores relative to NAEP scores may understate the score inflation that has taken place. For further discussion of the attempt to make NAEP content-neutral, see Ravitch 2003.
52. Bryk and Schneider 2002; Neal 2009, pp. 160-162.
53. Jackson and Bruegmann 2009.
54. Goddard, Goddard, and Tschannen-Moran 2007.
55. Incentives could also operate in the opposite direction. Fifth grade teachers being evaluated by their students' test scores might have a greater interest in pressing fourth grade teachers to better prepare their students for fifth grade. There is no way, however, to adjust statistically for a teacher's ability to pressure other instructors in estimating the teacher's effectiveness in raising her own students' test scores.
56. See, for example, Lazear 1989.
57. Anh 2009.
58. Feng, Figlio, and Sass 2010; Finnigan and Gross 2007.
59. Rothstein, Jacobsen, and Wilder 2008, 189-190.
60. Rothstein, Jacobsen, and Wilder 2008, 50.
61. Milanowski, Kimball, and White 2004.
62. See for example, Bond et al. 2000; Cavaluzzo 2004; Goldhaber and Anthony 2004; Smith et al. 2005; Vandevort, Amrein-Beardsley, and Berliner 2004; Wilson and Hallam 2006.
63. Darling-Hammond 2009; Van Lier 2008.
64. Denver's Pro-comp system, Arizona's Career Ladder, and the Teacher Advancement Program are illustrative. See for example, Solomon et al. 2007; Packard and Dereshiwsky 1991.

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**LINDA DARLING-HAMMOND** is Charles E. Ducommun Professor of Education at Stanford University where she has launched the Stanford Center for Opportunity Policy in Education and the School Redesign Network. She is a former president and a Fellow of the American Educational Research Association and recipient of its Distinguished Contributions to Research Award. She was founding executive director of the National Commission on Teaching and America's Future, a blue-ribbon panel whose 1996 report, *What Matters Most: Teaching for America's Future*, led to sweeping policy changes affecting teaching in the United States. In 2006, this report was named by *Education Week* as one of the most influential affecting U.S. education, and Darling-Hammond as one of the nation's 10 most influential people affecting educational policy over the last decade. Following the 2008 election, she served as the leader of President Barack Obama's education policy transition team. Among her more than 300 publications is *The Flat World and Education: How America's Commitment to Equity will Determine our Future*. Her book, *The Right to Learn*, received the American Educational Research Association's Outstanding Book Award for 1998, and *Teaching as the Learning Profession* (co-edited with Gary Sykes), received the National Staff Development Council's Outstanding Book Award for 2000. Dr. Darling-Hammond began her career as a public school teacher and has co-founded both a pre-school and day care center and a charter public high school.

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**DIANE RAVITCH** is research professor of education at New York University, a non-resident senior fellow at the Brookings Institution, and a member of the National Academy of Education. From 1991-93, she was assistant secretary of education in the U.S. Department of Education in charge of the Office of Educational Research and Improvement. She was appointed to the National Assessment Governing Board by Secretary of Education Richard Riley, where she served from 1997-2004. She is the author or editor of 24 books, including *The Death and Life of the Great American School System* (2010) and *The Troubled Crusade* (1983). Her Web site (<http://www.dianeravitch.com/>) includes links to recent articles and videos of recent presentations and media appearances.

**RICHARD ROTHSTEIN** is a research associate of the Economic Policy Institute, and was a member of the national task force that drafted the statement, "A Broader, Bolder Approach to Education" ([www.boldapproach.org](http://www.boldapproach.org)). From 1999 to 2002 he was the national education columnist of *The New York Times*. Rothstein's recent book is *Grading Education: Getting Accountability Right*. He is also the author of *Class and Schools: Using Social, Economic, and Educational Reform to Close the Black-White Achievement Gap* (2004) and *The Way We Were? Myths and Realities of America's Student Achievement* (1998). He has taught education policy at a number of institutions, including the Harvard Graduate School of Education, Peabody College (Vanderbilt University), and Teachers College (Columbia University). A full list of his publications is at [http://www.epi.org/authors/bio/rothstein\\_richard/](http://www.epi.org/authors/bio/rothstein_richard/)

**RICHARD J. SHAVELSON** is the Margaret Jacks Professor of Education (Emeritus) and former I. James Quillen Dean of the School of Education at Stanford University. He is currently director of R&D at SK Partners, a consulting group that focuses on measurement of performance and the design of assessment systems in education and business. He served as president of the American Educational Research Association; is a fellow of the American Association for the Advancement of Science, the American Educational Research Association, the American Psychological Association, and the American Psychological Society; and a Humboldt Fellow (Germany). His current work includes assessment of undergraduates' learning with the Collegiate Learning Assessment, accountability in higher education, assessment of science achievement, the study of formative assessment in inquiry-based science teaching and its impact on students' knowledge and performance, the enhancement of women's and minorities' performance in organic chemistry, and the role of mental models of climate change on sustainability decisions and behavior. Other work includes studies of computer cognitive training on working memory, fluid intelligence and science achievement, the scientific basis of education research, and new standards for measuring students' science achievement in the National Assessment of Educational Progress (the nation's "report card"). His publications include *Statistical Reasoning for the Behavioral Sciences*, *Generalizability Theory: A Primer* (with Noreen Webb), and *Scientific Research in Education* (edited with Lisa Towne); and *Assessing College Learning Responsibly: Accountability in a New Era* (November 2009, Stanford University Press).

**LORRIE A. SHEPARD** is dean of the School of Education at the University of Colorado at Boulder. She has served as president of the National Council on Measurement in Education and as president of the American Educational Research Association. She is the immediate past president of the National Academy of Education. Dr. Shepard's research focuses on psychometrics and the use and misuse of tests in educational settings. Her technical measurement publications focus on validity theory, standard setting, and statistical models for detecting test bias. Her studies evaluating test use have addressed the identification of learning disabilities, readiness screening for kindergarten, grade retention, teacher testing, effects of high-stakes accountability testing, and most recently the use of classroom formative assessment to support teaching and learning.

**Coleman, Jerry A.**

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**From:** Coleman, Jerry A.  
**Sent:** Wednesday, February 16, 2011 9:46 AM  
**To:** Gullickson, Stephanie M.; Miller, Bonnie J.  
**Cc:** Morrissette, Joe R.; Marthaller, Robert V.  
**Subject:** Ed Jobs Fund  
**Attachments:** Ed Jobs FAQ.pdf

Attached is information on the Ed Jobs Fund. It is a condensed version of the guidance provided so far by US Ed (<http://www2.ed.gov/programs/educationjobsfund/index.html>) that would be applicable to school districts.

From my perspective the important items are:

- #2. Allocation basis
- #3. Amount reserved for State level administration
- #5. Time period for LEAs to obligate the funds
- #6. How soon will the funds be made available
- #7. Process to apply for and receive the funds

The state can reserve up to 2% for administration.

I think we should establish a dollar amount certain for administration expenses, say \$100,000.

That way we can allocate the entire amount to districts with-out messing around with reallocating the remaining amount.

SB 2150 has an amendment on Ed Jobs that, hopefully, Appropriations will take out.

Additions, deletions, edits, comments, questions?

**Jerry Coleman**

Director - School Finance  
ND Department of Public Instruction  
(701)-328-4051  
[jcoleman@nd.gov](mailto:jcoleman@nd.gov)

Legislature:

- Appropriate Funds - LR 2012
- Encouraging clause - SR 2012
- Exclusion from  
Cdn. Fund Balance  
effect at 1/1/14 - SR 2150

Impact:

Reimburse school districts for school level staff facing up resources for other uses.

# 12

February 2, 2011

## EDUCATION JOBS FUND

### Frequently Asked Questions

1. What is the Education Jobs Fund (Ed Jobs) program?

The Ed Jobs program is a one-time Federal program that provides \$10 billion in assistance to states, (including \$21.5 million to North Dakota), to save or create education jobs for the 2010-11 school year. Jobs funded under this program include those that provide educational and related services for early childhood, elementary, and secondary education. The Ed Jobs program is authorized in Public Law No. 111-226, which was signed into law on August 10, 2010.

2. How will funding be allocated to local education agencies (LEAs)?

The Act provides each governor with two choices for allocating Ed Jobs funds to LEAs:

- a. In proportion to the LEAs' relative shares of state aid under the state's primary elementary and secondary education funding formulae for the 2010-11 school year as identified in the state's application for funding under the State Fiscal Stabilization Fund (SFSF) program; or,
- b. In proportion to the LEAs' relative shares of funds under Part A of Title I of the Elementary and Secondary Education Act of 1965 (ESEA) for the most recent fiscal year for which data are available.

North Dakota has elected to allocate the Ed Jobs funds in proportion to the LEAs' relative shares of state aid under North Dakota's primary elementary and secondary education funding formulae as defined in the State's SFSF application.

Thus, each school district will receive an Ed Jobs allocation that is proportionate to the amount of funds allocated through the State School Aid formula for the 2010-2011 school year.

3. Will the state reserve a portion of the funds for state-level administration of the program?

Yes, the Act authorizes each state to reserve up to 2 percent of its allocation for administrative costs of carrying out its responsibilities with respect to the program. DPI will charge this grant for non-covered expenses but this is not expected to exceed 1 percent.

4. How much funding will each LEA receive?

Preliminary estimates of the Ed Jobs funding for each LEA will be posted on the DPI Website at <http://dpi.state.nd.us/finance>.

#12

8. For what purposes may an LEA use its Ed Jobs funds?

An LEA must use its funds only for compensation and benefits and other expenses, such as support services, necessary to retain existing employees, to recall or rehire former employees, and to hire new employees, in order to provide early childhood, elementary, or secondary educational and related services.

LEAs have the discretion to decide how to use program funds, consistent with the provisions in section 101(5) of the Act and all other applicable requirements. The state may not direct how an LEA may use its Ed Jobs funds.

An LEA may not use Ed Jobs funds to compensate employees for any period prior to August 10, 2010, the date of enactment of the Act.

9. What categories of expenses may an LEA support with Ed Jobs funds?

For purposes of this program, the phrase "compensation and benefits and other expenses, such as support services" includes, among other things: salaries, performance bonuses, health insurance, retirement benefits, incentives for early retirement, pension fund contributions, tuition reimbursement, student loan repayment assistance, transportation subsidies, and reimbursement for childcare expenses.

10. Which employees may an LEA support with Ed Jobs funds?

An LEA may use the funds to pay the salaries of teachers and other employees who provide school-level educational and related services. In addition to teachers, employees supported with program funds may include, among others; principals, assistant principals, academic coaches, in-service teacher trainers, classroom aides, counselors, librarians, secretaries, social workers, psychologists, interpreters, physical therapists, speech therapists, occupational therapists, information technology personnel, nurses, athletic coaches, security officers, custodians, maintenance workers, bus drivers, and cafeteria workers.

11. What are the statutory prohibitions on an LEA's use of Ed Jobs funds?

The statute prohibits LEAs from using Ed Jobs funds for general administrative expenses as that term is defined by the National Center for Education Statistics (NCES) in its Common Core of Data. These prohibited expenses are administrative expenditures related to the operation of the superintendent's office or the LEA's board of education, including the salaries and benefits of LEA-level administrative employees.

16. Do the reporting requirements under section 1512 of American Recovery and Reinvestment Act (ARRA) apply to Ed Jobs funds?

Yes. Under section 101 of the Act, a state and its LEAs must fulfill the reporting requirements under section 1512 of ARRA. Specifically, the state will submit quarterly reports on its own behalf and on behalf of its LEAs that describe, among other things, how those funds were used. For additional information on section the 1512 reporting requirements, see [www2.ed.gov/policy/gen/leg/recovery/section-1512.html](http://www2.ed.gov/policy/gen/leg/recovery/section-1512.html).

17. Does the Ed Jobs program have reporting requirements in addition to the section 1512 reporting requirements?

Yes. States will submit annual reports to the US DOE for this program that include information on the number of education personnel impacted by the program. The U.S. DOE will be providing guidance on the annual reporting requirements.

18. Has the U.S. Department of Education Issued Guidance regarding the program?

Yes, a document entitled Initial Guidance for States on the Education Jobs Fund Program is available on the U.S. Department of Education Website at <http://www2.ed.gov/programs/educationjobsfund/governors-ed-jobs-guidance-final-8-1310.doc>. The guidance document includes a copy of the enacted legislation. As updated information becomes available from U.S. DOE, it will be posted to the U.S. DOE website at: <http://www2.ed.gov/programs/educationjobsfund/index.html>.

#12



*file for  
SB 2184*

Introduced by

Senators Flakoll, G. Lee

Representatives Delmore, R. Kelsch

1 A BILL for an Act to amend and reenact subsection 1 of section 15.1-06-04 and section  
2 15.1-20-01 of the North Dakota Century Code, relating to school calendars and compulsory  
3 attendance; and to provide an effective date.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1. AMENDMENT.** Subsection 1 of section 15.1-06-04 of the North Dakota  
6 Century Code is amended and reenacted as follows:

- 7 1. a. During ~~each~~ the 2007-08 school year, a school district shall provide for a  
8 school calendar of at least one hundred eighty days, apportioned as follows:
  - 9 ~~e.~~ (1) One hundred seventy-three full days of instruction;
  - 10 ~~b.~~ (2) Three holidays listed in subdivisions b through j of subsection 1 of  
11 section 15.1-06-02 and selected by the school board in consultation  
12 with district teachers;
  - 13 ~~e.~~ (3) Up to two full days during which parent-teacher conferences are held or  
14 which are deemed by the school board to be compensatory time for  
15 parent-teacher conferences held outside regular school hours; and
  - 16 ~~e.~~ (4) Two days for professional development activities.
- 17 b. During the 2008-09 school year, a school district shall provide for a school  
18 calendar of at least one hundred eighty-one days, apportioned as follows:
  - 19 (1) One hundred seventy-four full days of instruction;
  - 20 (2) Three holidays listed in subdivisions b through j of subsection 1 of  
21 section 15.1-06-02 and selected by the school board in consultation  
22 with district teachers;

- 1                   (3) Up to two full days during which parent-teacher conferences are held or  
2                   which are deemed by the school board to be compensatory time for  
3                   parent-teacher conferences held outside regular school hours; and  
4                   (4) Two days for professional development activities.
- 5           c. During the 2009-10 school year, a school district shall provide for a school  
6           calendar of at least one hundred eighty-two days, apportioned as follows:  
7           (1) One hundred seventy-five full days of instruction;  
8           (2) Three holidays listed in subdivisions b through j of subsection 1 of  
9           section 15.1-06-02 and selected by the school board in consultation  
10           with district teachers;  
11           (3) Up to two full days during which parent-teacher conferences are held or  
12           which are deemed by the school board to be compensatory time for  
13           parent-teacher conferences held outside regular school hours; and  
14           (4) Two days for professional development activities.
- 15           d. During the 2010-11 school year, and each year thereafter, a school district  
16           shall provide for a school calendar of at least one hundred eighty-three days,  
17           apportioned as follows:  
18           (1) One hundred seventy-six full days of instruction;  
19           (2) Three holidays listed in subdivisions b through j of subsection 1 of  
20           section 15.1-06-02 and selected by the school board in consultation  
21           with district teachers;  
22           (3) Up to two full days during which parent-teacher conferences are held or  
23           which are deemed by the school board to be compensatory time for  
24           parent-teacher conferences held outside regular school hours; and  
25           (4) Two days for professional development activities.

26           **SECTION 2. AMENDMENT.** Section 15.1-20-01 of the North Dakota Century Code is  
27 amended and reenacted as follows:

28           **15.1-20-01. Compulsory attendance.**

- 29           1. Any person having responsibility for a child between the ages of seven and ~~sixteen~~  
30           eighteen years shall ensure that the child is in attendance at a public school for the  
31           duration of each school year.

- 1           2. If a person enrolls a child of age six in a public school, the person shall ensure that  
2           the child is in attendance at the public school for the duration of each school year.  
3           The person may withdraw a child of age six from the public school. However, once  
4           the child is withdrawn, the person may not reenroll the child until the following  
5           school year. This subsection does not apply if the reason for the withdrawal is the  
6           child's relocation to another school district.
- 7           3. This section does not apply if to a child is exempted under the provisions of section  
8           15.1-20-02 or to a child who ceased attendance in accordance with subsection 1  
9           as it existed on December 31, 2008.

10           **SECTION 3. EFFECTIVE DATE.** Section 2 of this Act becomes effective beginning  
11           January 1, 2009.

**FISCAL NOTE**  
**Requested by Legislative Council**  
01/11/2007

Bill/Resolution No.: SB 2184

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

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Expenditures</b>	\$0	\$0	\$2,509,000	\$0	\$11,533,000	\$0
<b>Appropriations</b>	\$0	\$0	\$2,509,000	\$0	\$11,533,000	\$0

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

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$2,509,000	\$0	\$0	\$11,533,000

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

This bill increases the instructional days by one day in each of three successive years beginning with 2008-09. It also increases the age of compulsory attendance from age 16 to age 18.

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

Increasing the number of instructional days in Section 1 increases the cost of education for both the state and the local district. Raising the age of compulsory attendance in this bill requires that students remain in school until the age of 18, thereby increasing the cost of education for both the state and the local district.

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

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

None.

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

Increasing the number of instructional days in Section 1 increases the cost of education for both the state and the local district. The department estimates that the cost of a day is approximately \$3 million. Raising the age of compulsory attendance in this bill requires that students remain in school until the age of 18, thereby increasing the cost of education for both the state and the local district. In 2005-06 the dropout rate was approximately 13.3 percent; the average annual cost per pupil in ADM is approximately \$7400.

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

Increasing the number of instructional days in Section 1 increases the cost of education for both the state and the local district. The department estimates that the cost of a day is approximately \$3 million. Raising the age of

compulsory attendance in this bill requires that students remain in school until the age of 18, thereby increasing the cost of education for both the state and the local district. In 2005-06, the dropout rate was approximately 13.3 percent; the average annual cost per pupil in ADM is approximately \$7400.

<b>Name:</b>	Anita Decker	<b>Agency:</b>	Public Instruction
<b>Phone Number:</b>	328-1718	<b>Date Prepared:</b>	01/15/2007

SECTION	CAPTION	EFFECTIVE DATE (July 1, 2011 unless otherwise noted)
1	Required transfer (by Industrial Commission) - Special education contract costs	
2	Student information system - Statewide coordination - Financial support - Exemption	
3	REAs - Review by superintendent of public instruction - Criteria	
4	REA - Services to be offered	
5	Professional development advisory committee - Reimbursement of members	Repealed July 1, 2013
6	Teacher support program - Establishment	
7	Teacher support program - Availability of services	
8	Teacher support program - Authorized service recipients	
9	High school diploma - Minimum units	
10	High school graduation - Minimum requirements	
11	North Dakota CTE scholarship	
12	North Dakota academic scholarship	
13	North Dakota scholarship - Amount - Applicability	
14	North Dakota scholarship - Eligibility - One time exception	
15	Reading, mathematics, and science - Administration of test	
16	Career interest inventory - Educational and career planning - Consultation	
17	Summative assessment - Selection - Cost - Exemptions	
18	Kindergarten - Establishment by board - Request by parent - Levy	
19	Public kindergarten - Requirements	
20	Cost of education - Determination	
21	Weighting factors (Effective July 1, 2011)	
22	Weighting factors (Changes special education factor from 0.073 to 0.079)	July 1, 2012
23	Weighting factors (Provides a factor of 0.15 for alterative middle school)	July 1, 2013 through June 30, 2015
24	Per student payment rate	
25	Baseline funding	
26	Equity	
27	Weather or other emergency conditions - Closure of schools - State payments to school districts	Emergency (Effective upon passage)
28	Payments to school districts - Unobligated general fund balance	
29	Distribution of remaining moneys	

30	School construction projects - Loans	
31	Early childhood education program - Approval	
32	Early childhood education council (subsection)	
33	Council - Duties	
34	Appropriation - School district rapid enrollment growth - Grants	
35	Appropriation - Gearing up for kindergarten	
36	Transportation grants - Distribution	
37	Isolated schools - Transition payments	
38	Alternative middle school grants	
39	Use of new money - Teacher compensation increases - Reports to the legislative management	
40	Education funding and taxation committee - Study	Emergency (Effective upon passage)
41	Adult education - Study	
42	Alternative education - Middle school - Data collection - Report	
43	Repeal (Professional development compensation and statutory sections regarding professional development plans and advisory committee)	July 1, 2013
44	Repeal (Statutory section regarding isolated schools)	
45	Effective date (Section 22 increases the special education weighting factor Section 43 repeals the professional development provisions)	July 1, 2012 for section 22 July 1, 2013 for section 43
46	Effective date - Expiration date (Section 23 provides a weighting factor for alternative middle schools)	July 1, 2013 - June 30, 2015 for section 23
47	Emergency (Section 27 pertains to weather related closures)  (Section 40 pertains to the education funding and taxation committee)	Effective upon passage for section 27  Effective upon passage for section 40