



EDUCATION COMMITTEE

Wednesday, March 6, 2024
Roughrider Room, State Capitol
Bismarck, North Dakota

Senator Michelle Axtman, Chairman, called the meeting to order at 10:00 a.m.

Members present: Senators Michelle Axtman, Todd Beard, Cole Conley, Judy Estenson, Justin Gerhardt, Kent Weston; Representatives LaurieBeth Hager, Patrick Hatlestad, Dori Hauck, Pat D. Heinert, Jim Jonas, Donald W. Longmuir, Andrew Marschall, David Monson, Eric James Murphy, Mitch Ostlie, David Richter, Cynthia Schreiber-Beck, Kelby Timmons

Member absent: Senator Jay Elkin

Others present: Senator Donald Schaible, Mott, member of the Legislative Management Mr. Adam Tescher and Ms. Kirsten Baesler, Department of Public Instruction; Ms. Maria Neset, Governor's office; Mr. Michael Chartier, Education Choice for ExcelinEd; Ms. Catrin Wigfall, American Experiment North Dakota See [Appendix A](#) for additional persons present.

It was moved by Representative Longmuir, seconded by Representative Marschall, and carried on a roll call vote that the minutes of the December 20, 2023, meeting be approved as distributed.

REPORTS

Department of Public Instruction

Mr. Adam Tescher, School Finance Officer, Department of Public Instruction, provided a report ([Appendix B](#)) as required under North Dakota Century Code Section 15.1-02-13 compiling annual school district employee compensation reports. He noted:

- The average base salary for administrators increased from \$103,439 to \$107,826 (\$4,387 or 4.24 percent) from the 2020-21 to 2022-23 school year.
- The average compensation for administrators increased from \$151,559 to \$158,247 (\$6,688 or 4.41 percent) from the 2020-21 to 2022-23 school year.
- The average base salary for teachers increased from \$56,063 to \$57,496 (\$1,433 or 2.56 percent) from the 2020-21 to 2022-23 school year.
- The average total compensation for teachers increased from \$85,541 to \$87,775 (\$2,234 or 2.61 percent) from the 2020-21 to 2022-23 school year.
- There were 700 full-time administrators and 9,699 full-time teachers employed during the 2022-23 school year.

Mr. Tescher provided a report entitled *School Finance Facts* ([Appendix C](#)) as required under Section 15.1-02-09 regarding the financial condition of school districts. He noted:

- The annual report is due at the end of February and the Tax Department finalizes its compilation of financial data in March. Occasionally, there are conflicts between the annual report and the tax data.
- The annual report contains statistical information describing mill levies and taxable valuation, general fund revenue and expenditures, student enrollment and average daily membership, and teacher full-time equivalencies and average salary.

- The average cost of education per student, as shown in Section F of *School Finance Facts*, is calculated using the cost of instruction, administration, and operation and maintenance of the school plant, and may include construction costs.
- The data in Section I related to full-time equivalencies includes part-time staff.

SCHOOL DISTRICT ENDING FUND BALANCE STUDY

Ms. Kirsten Baesler, Superintendent of Public Instruction, provided testimony (Appendices [D](#) and [E](#)) regarding best practices for school district spending, including an evaluation of possible trends among state investments, district expenditures, and student performance. She noted:

- School districts spent the largest percentage of Elementary and Secondary School Emergency Relief (ESSER) funds, which were distributed in response to the COVID-19 pandemic, for construction and renovation projects and the acquisition of real property. Expenditures to address learning loss and invest in educational technology were the most frequent expenditures.
- The department anticipates school districts will require budgeting support when federal ESSER funds expire in 2024.
- 23 individuals, including superintendents, business managers, and fiscal directors, attended a finance workshop at Georgetown University presented by Edunomics Lab and learned methods for outcome-based budgeting.
- The department provides tools to school districts to review spending and identify which programs have had a positive impact. The department also provides tools to assist school districts in determining whether expenditures are eligible for federal funding.

In response to a question from a committee member, Ms. Baesler noted training opportunities provided by the department related to best practices for school district spending are not mandatory, but legislators may encourage educational professionals to attend.

Ms. Baesler provided testimony regarding the committee's directive to review the dramatic increase in behavioral and mental health issues of students, which are addressed by schools with school budgets, in addition to the traditional scope of academic preparation. She noted:

- The district does not have data indicating whether behavioral and mental health issues are increasing dramatically.
- Senate Bill No. 2351 (2023) would have created a data collection system for schools to report instances of classroom and hallway clearings. The data would have assisted the department in measuring the extent of behavioral challenges in schools.

In response to questions from committee members, Ms. Baesler noted:

- Senate Bill No. 2351 would have directed the Attorney General to provide a report explaining a public school's legal authority, including limitations, to discipline a student through seclusion, restraint, suspension, expulsion, and school removal for behavioral issues.
- The temporary reports that would have been required by Senate Bill No. 2351 would be helpful when making decisions regarding mental and behavioral health challenges.
- Policy driven by quantitative data is preferential to policy driven by anecdotes.

Mr. Tescher provided testimony regarding the certificate in education finance obtained through Edunomics Lab training. He noted:

- The pending fiscal cliff will create budget challenges for school districts nationally, potentially resulting in a decrease to salary expenditures or employment of fewer teachers.
- School districts may wish to review behavioral and mental health expenditures to identify successful programs when school districts review expenditures to determine whether spending is resulting in positive outcomes for students.

In response to a question from a committee member, Mr. Tescher noted school districts were required to spend ESSER funds to address the impacts of the COVID-19 pandemic and most expenditures were approved.

In response to questions from committee members, Ms. Baesler noted:

- Students in this state are held to a higher standard based on rigorous cut scores when compared to some other states.
- National to state comparisons do not account for cut scores that differ from state to state when reporting the percentage of proficient students.
- Students had different experiences during the COVID-19 pandemic, resulting in varying degrees of learning loss.
- School districts were making significant progress before that progress was disrupted by COVID-19. School districts are recovering and making progress again.

TEACHER RETENTION AND RECRUITMENT TASK FORCE

Ms. Maria Neset, Senior Policy Advisor, Governor's office, provided an update ([Appendix F](#)) on the Teacher Retention and Recruitment Task Force. She noted:

- On August 9, 2023, Governor Doug Burgum approved the emergency rules requested by the Education Standards and Practices Board to create a pre-service teacher authorization to allow student teachers to serve in a limited capacity.
- On September 8, 2023, Governor Burgum created by executive order the Teacher Recruitment and Retention Task Force, which is tasked with studying how to improve teacher preparation programs, evaluating pathways to licensure, improving working conditions to promote retention, and identifying best practices in other states.
- The Hunt Institute has provided technical expertise to the task force related to teacher retention and recruitment.
- The task force will provide recommendations for legislation to Ms. Baesler and Governor Burgum.

SCHOOL CHOICE MODELS STUDY

Mr. Michael Chartier, Policy Director, Education Choice for ExcelinEd, provided testimony ([Appendix G](#)) regarding school choice models. He noted:

- Vouchers are state-funded coupons that parents may remit to private schools to pay for tuition.
- An education savings account (ESA) is an account funded by the state with funds available to parents to spend on various approved educational expenditures.
- Some states are exploring methods to fund ESAs using tax credits.
- ESAs served 41,189 students in the 2021-22 school year and 450,000 students in the 2023-24 school year.
- Home school students typically are categorized separately from ESA students. Most states allow home school students to participate in the ESA program in some capacity.
- Model ESA policies are available to all students without restriction and the funding amount per student is equivalent to the state payment per student for public schools, including applicable student weighting factors.
- The State Treasurer's office or nonprofit administrators are well-suited to administer ESAs.
- Accountability measures include national norm-referenced tests, oversight to ensure funds are used only for educational purposes and accounts are closed if gross misuse or fraud is detected, referral to the Attorney General when parent conduct is illegal, establishment of a parent review commission to review spending outside of the typical scope of educational purposes, and annual reporting requirements for participating parents.

In response to questions from committee members, Mr. Chartier noted:

- Most states attach the funding amount for an ESA to the baseline state aid per student payment, which nationally averages at approximately \$8,000.
- State school choice expenditures comprise less than 1 percent of all K-12 spending nationally, including expenditures of federal funds.
- Micro-grant programs are separate from ESA programs and target students who wish to remain in a public school setting.
- ESA programs also are available to rural students and permissible ESA expenditures include expenditures for private schools and for alternative means of instruction, such as learning pods and virtual instruction.

Ms. Catrin Wigfall, Policy Fellow, American Experiment North Dakota, provided testimony ([Appendix H](#)) regarding ESAs. She noted:

- ESAs are the most customizable education choice program.
- ESA programs provide long-term fiscal benefits to the state. The accounts are funded with fewer dollars than the average per student payment for a public school student. The average cost to the state per student in North Dakota is over \$16,000, compared with a national average of \$8,000 for an ESA student.
- American Experiment North Dakota might provide model legislation to assist in drafting a strong school choice bill.

No further business appearing, Chairman Axtman adjourned the meeting at 2:57 p.m.

Liz Fordahl
Counsel

ATTACH:8