

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2107

2001 SENATE EDUCATION

SB 2107

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2107

Senate Education Committee

Conference Committee

Hearing Date 01-17-01

Tape Number	Side A	Side B	Meter #
1		x	10.0 - 40.5
Committee Clerk Signature <i>Anden Johnson</i>			

Minutes: CHAIRMAN FREBORG called the hearing on SB 2107 which relates to the payment of tuition for open enrolled students.

Testimony in support of SB 2107.

TOM DECKER, Director of Finance and Organization for DPI, stated he was the person from the department who had worked on the open enrollment when it was being discussed. He presented testimony (see attached) in support of the bill, with an amendment added (see attached). He also presented a chart which shows the numbers of open enrolled students. (see attached). He explained how the bill would work if law and how it implements tuition for open-enrolled students based on the formula currently in state law for calculating tuition. The implementation is incremental. The first year districts would pay one-fourth of the formula amount. The attached handout indicates the amount of money that each district would pay under this formula at one-fourth the formula amount. This implementation allows districts four years to adjust their budgets to absorb this cost. The proposed amendments are designed to make the

changes in the high school tuition levy language in the statute to allow that authority to be used to pay tuition for open enrolled students if needed at the discretionary levy by the boards, that can be used only to pay tuition for high school students and open enrolled students and only up to the amount of the actual tuition owed. MR. DECKER explained how tuition is actually figured. (see last sheet of attachment). SENATOR KELSH asked how cooperative schools are treated. He stated there are provisions in the law to allow the districts to co-op. There are administrative rules from DPI that talk about what the criteria is for cooping. One way a district, that is facing tuition, could get out of it, would be to form an approved coop. These are treated as a single district for open enrollment purposes. The way the current law is, there is a high school tuition levy which districts can access if they need to pay tuition for some students to other districts, that is outside the mill cap. MR. DECKER stated the Department feels air bases should be tuition students and non should be treated as open enrolled. Also, this amendment states the Feds get to pay their full share of the cost. SENATOR WANZEK asked if this doesn't create more competition. MR. DECKER stated his recollection of the discussions of open enrollment always put the emphasis on student and parent choice. There was not any discussion about districts being able to recruit. The districts need to be held accountable for their cost of education.

Testimony in opposition to SB 2107.

RICHARD OTT, ND Council of School and Educational Leaders, stated their organization has proponents on both sides of the issue. They do support open enrollment without tuition involved. The concern is why schools have been taking the open enrolled students when money wasn't a factor (they weren't receiving a payment). Why would it be advantageous to take

students if there was no monetary gain. The purpose of this bill is to provide students, through actions of their parents, more choice, more opportunity for education.

There was no further testimony.

The Hearing on SB 2107 was closed.

Discussion continued. SENATOR KELSH is troubled over the fact that the sending district, the district of residency, has nothing to say about this. The accepting district has a choice, and it doesn't cost anything to take a student. However, the sending district loses its money (financial aid) with the student. SENATOR WANZEK stated if this bill passes, are we looking at a school district indirectly getting some property value out of the other district, because some of the tuition payments would probably come from property taxes. SENATOR FLAKOLL stated that sometimes there are extra dollars spent on special needs students who open enroll by the receiving district.

SENATOR KELSH moved a DO NOT PASS. Seconded by SENATOR WANZEK.

Roll call vote: 6 Yes. 0 No. 1 Absent. Motion carried.

Carrier: SENATOR FREBORG.

Date: 1-17-01
Roll Call Vote #: 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2107

Senate Education Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Not Pass

Motion Made By Sen. Kelsh Seconded By Sen. Wanzek

Senators	Yes	No	Senators	Yes	No
Senator Freborg - Chairman	✓		Senator Christenson	✓	
Senator Flakoll - Vice Chairman	✓		Senator Kelsh	✓	
Senator Cook	✓		Senator O'Connell		
Senator Wanzek	✓				

Total (Yes) 6 No 0

Absent 1

Floor Assignment Sen. Freborg

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

REPORT OF STANDING COMMITTEE (410)
January 17, 2001 3:31 p.m.

Module No: SR-07-1148
Carrier: Freborg
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2107: Education Committee (Sen. Freborg, Chairman) recommends DO NOT PASS
(6 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2107 was placed on the
Eleventh order on the calendar.

2001 TESTIMONY

SB 2107

**TESTIMONY ON SENATE BILL NO. 2107
SENATE EDUCATION COMMITTEE
January 17, 2001
Department of Public Instruction**

Chairperson Freborg and members of the committee:

My name is Tom Decker. I'm the director of school finance and organization for the Department of Public Instruction.

Public school open enrollment was passed by the Legislature in 1993. I believe that adopting open enrollment in North Dakota is one of the most significant educational changes the Legislature made in the 90s. And I think the 2236 students across North Dakota who take advantage of open enrollment and their parents would concur with that assessment.

Participation in the program has grown steadily from the beginning to the current 2200-plus. Almost every district in North Dakota is now participating in open enrollment; that is, they are open to receiving students under the open enrollment program. Jamestown Public Schools and Fargo Public Schools are the most recent districts to change their policies to accept open-enrolled students.

When open enrollment was passed in 1993, only state foundation aid and tuition apportionment followed the student. That money now represents less than half of the cost of education in most districts. Open enrollment was

passed without the local district's share following the student for pragmatic, political reasons. The judgment at the time was that making open enrollment available to students was more important than having the equity issues related to students moving out of their district of residence solved at that moment. However, the program is now well established and it is time to look at the equity issues involved with open enrollment. In every other segment of North Dakota public school district funding and law we hold the district of residence accountable for the full cost of education of their resident students. The only small remaining exception outside of open enrollment is tuition waivers, which are now seldom used.

It is sometimes argued that school districts have a choice: they could choose not to take open-enrolled students so they should be satisfied with the state foundation aid for those students. However, if even a small percent of North Dakota's districts refused to allow open-enrolled students into their district, we really wouldn't have open enrollment and the intent of the legislation adopted in 1993 and expanded since then would have been significantly frustrated. Additionally, in an era of declining enrollment for almost every district in North Dakota, taking open-enrolled students is a way of managing a district's destiny and balancing the budget as well as assisting parents in meeting their student's educational needs. Paying the full cost of

education for each resident student should be a standard operating cost for every district.

As the number of districts in North Dakota declines, it is likely that more students will want to exercise open enrollment in order to attend the school that is closest to them or that provides them with the best opportunities for other reasons. Those districts that take open-enrolled students which is now virtually every district in North Dakota are being asked to underwrite half the cost of the education of students who are not their residents.

Senate Bill 2107 implements tuition for open-enrolled students based on the formula currently in state law for calculating tuition. The implementation is incremental. The first year districts would pay one-fourth of the formula amount. The handout attached to my testimony indicates the amount of money that each district would pay under this formula at one-fourth of the formula amount. Incremental implementation allows districts four years to adjust their budgets to absorb this cost.

In addition, we have attached an amendment to Senate Bill 2107 which allows districts the authority to generate the money for payment of open enrollment tuition out of current authority which allows districts to pay high school tuition for students they are sending to other districts. We see

open enrollment as the same kind of situation. The current legislation limits what a district can generate under the tuition fund to the amount it actually owes in tuition. We expect that that would continue to be the case. Districts may pay the tuition out of their general fund, if they choose, or if that's workable in their budget. However, adding the provision to the tuition levy for payment of tuition under this bill insures that all districts will have the revenue they need to make the required payments.

SB 2107 - Tuition Projection for Open Enrollment Students - 2000-01 Data

ID	DNAME	Total - In	Count	Total - Out	Count	NET (In-Out)	NET @ 25%
1013	Hettinger 13	15,222	5	12,483	4	2,739	685
2002	Valley City 2	119,371	52	86,846	22	32,525	8,131
2013	Oriska 13	29,369	7	58,234	25	(28,865)	(7,216)
2052	Litchville 52	11,057	6	35,150	11	(24,092)	(6,023)
2065	N Central 65	18,531	5	57,802	22	(39,271)	(9,818)
2082	Wimbledon-Courte	38,448	11	15,545	.	22,903	5,726
3005	Minnewaukan 5	17,568	6	29,535	11	(11,967)	(2,992)
3006	Leeds 6	47,118	13	37,075	7	10,043	2,511
3009	Maddock 9	70,177	20	44,881	4	25,295	6,324
3016	Oberon 16	.	.	29,707	6	(29,707)	(7,427)
3029	Warwick 29	10,297	3	39,648	27	(29,350)	(7,338)
3030	Ft Totten 30	.	.	.	2	.	.
4001	Billings Co 1	52,479	4	200,865	15	(148,386)	(37,096)
5001	Botlineau 1	99,441	32	27,092	3	72,348	18,087
5013	Willow City 13	10,398	2	36,857	10	(28,459)	(7,115)
5017	Westhope 17	34,487	9	29,345	3	5,142	1,285
5035	Lansford 35	5,600	1	33,602	7	(28,002)	(7,000)
5054	Newburg-United 5	14,472	2	81,480	21	(67,008)	(16,752)
6001	Bowman 1	38,076	12	9,864	2	28,212	7,053
6017	Rhame 17	8,940	1	.	1	8,940	2,235
6033	Scranton 33	15,351	4	11,716	1	3,635	909
7014	Bowbells 14	12,455	3	12,455	6	.	.
7027	Powers Lake 27	9,657	2	28,106	5	(18,450)	(4,612)
7036	Burke Central 36	.	.	13,493	5	(13,493)	(3,373)
8001	Bismarck 1	324,163	106	137,442	38	186,722	46,680
8002	Regan 2	.	.	33,266	5	(33,266)	(8,316)
8025	Naughton 25	20,855	2	54,601	5	(33,746)	(8,436)
8028	Wing 28	38,335	6	.	1	38,335	9,584
8029	Baldwin 29	.	.	72,371	14	(72,371)	(18,093)
8033	Menoken 33	8,456	2	30,241	9	(21,785)	(5,446)
8034	McKenzie 34	.	.	107,245	12	(107,245)	(26,811)
8035	Sterling 35	20,508	4	23,553	5	(3,045)	(761)
8036	Driscoll 36	.	.	127,841	24	(127,841)	(31,960)
8039	Apple Creek 39	17,952	6	36,849	13	(18,897)	(4,724)
8045	Manning 45	7,116	2	10,677	3	(3,561)	(890)
9001	Fargo 1	.	.	47,103	17	(47,103)	(11,776)
9002	Kindred 2	42,948	19	27,254	13	15,694	3,924
9004	Maple Valley 4	16,261	5	71,226	20	(52,965)	(13,241)
9006	West Fargo 6	.	.	25,496	12	(25,496)	(6,374)
9007	Mapleton 7	.	.	41,996	10	(41,996)	(10,499)
9017	Central Cass 17	88,509	39	28,700	2	59,809	14,952
9080	Page 80	50,684	16	38,228	10	12,456	3,114
9097	Northern Cass 97	69,789	20	44,116	15	25,673	6,418
10001	Osnabrock 1	.	.	50,812	10	(50,812)	(12,703)
10014	Border Central 1	.	.	67,047	7	(67,047)	(16,762)
10019	Munich 19	29,352	9	16,640	2	12,712	3,178
10023	Langdon 23	41,145	12	32,248	7	8,897	2,224
10030	Milton 30	.	.	9	7	(9)	(2)
11040	Ellendale 40	.	.	24,532	11	(24,532)	(6,133)
11041	Oakes 41	33,619	14	6,513	2	27,105	6,776
12001	Divide County 1
13008	Dodge 8	13,369	7	6,685	4	6,685	1,671
13016	Killdeer 16	21,040	6	12,156	3	8,883	2,221
13019	Halliday 19	35,223	7	28,255	10	6,968	1,742
13037	Twin Buttes 37	.	.	110,596	7	(110,596)	(27,649)
14001	New Rockford 1	54,355	23	21,831	6	32,525	8,131
14012	Sheyenne 12	28,322	16	38,880	19	(10,559)	(2,640)