



bulletin



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Excellence in North Dakota public education through local school board governance ■ VOL XLII ISSUE 5

2017 Legislative Session Wrap-Up



*L. Anita Thomas
NDSBA General Counsel*

When the motion to adjourn sine die was made in the waning

hours of Thursday, April 27, 2017, it was accepted by legislators with the usual range of emotions. For some, there was utter relief that, after 77 long days, the end had finally arrived. For others, there was a recognition that the surreal excitement of the session was going to give way to the more measured pursuits of everyday life. As the final goodbyes were uttered and the lights in the Great Hall were dimmed for the last time, there seemed to be a universal acknowledgment that this had been a session unlike any other. The overflowing coffers of a bygone era had been replaced by a sense of austerity and an admission that the “new normal” had arrived.

Despite the difficult decisions that had to be made amid the state’s financial challenges, legislators worked tirelessly to prioritize K-12 funding requirements and policy outcomes. For this effort, NDSBA would like to express its sincere appreciation to Senate Education Chairman Don Schaible, House Education Chairman Mark Owens, and to the members of both education committees. They, together with their colleagues in the Senate and the House, were always willing to listen to our perspectives and work with us in ensuring the best possible outcome for the students of this state. NDSBA would also like to thank those school board members and school district personnel who made themselves and their

“ ... legislators worked tirelessly to prioritize K-12 funding requirements and policy outcomes ”

expertise available to us and regularly communicated with their legislators regarding the impact of bills under consideration.

Now that the legislators have gone home, the NDSBA staff will undertake an in-depth review of the bills that were enacted, make necessary policy changes and recommendations, and share information with school boards regarding new requirements that have been imposed and new opportunities that have been presented. Some of the 2017 bills pertaining to K-12 education have been highlighted below.

BOARDS AND DISTRICTS

HB1253 creates a process by which the boards of two school districts may

initiate a voluntary transfer of property, thereby adjusting district boundaries. The bill requires the approval of both boards, a public hearing, approval

by the county committee, and final approval by the state board.

HB1254 provides that a student’s parent may petition the board of the student’s school district of residence and request that the board either pay tuition so the student can attend another school district or sign a tuition waiver contract. Within 30 days of receiving the petition, a board must agree to pay the tuition, agree to sign a tuition waiver contract with the admitting district, or refuse to pay the tuition or sign a tuition waiver contract. The bill does not require the board to pay tuition or sign a contract, but it does require the board to issue a determination.

SB2165 states that in order to resign, a school board member must provide notice in writing to the school district

business manager.

SB2182 exempts from school district bidding requirements products purchased from prison industries and products purchased from work activity centers.

SB2186 allows the Superintendent of Public Instruction, with the approval of a school board, to waive certain statutes and rules so that school districts can pursue innovations designed to improve the delivery or administration of education, provide increased educational opportunities to students, or improve the academic success of students. During the initial year of participation, a comprehensive implementation plan is to be developed in order to ensure the long-term viability of the proposal. A comprehensive implementation plan may be approved for up to five years. The Superintendent of Public Instruction is required to provide annual reports to legislators and include a review of pertinent data collected from a participating school.

COURSES

HB1051 repeals the requirement for prior DPI approval of courses provided electronically to a student, school, or school district.

SB2091 pertains to the three units of science required for high school graduation and for various North Dakota scholarships. Under current law, a student must take one unit of physical science, one unit of biology,

Continued on page 3





MADDOCK SCHOOL DISTRICT

Contact person: Tiffany Smith, Bus. Mgr.

Address: PO Box 398

Maddock, ND 58348

Phone: 701-438-2531

Email: tiffany.smith@k12.nd.us

Deadline: May 31, 2017

Part-time; may be full-time with teaching duties

Position begins: July 1, 2017

BURKE CENTRAL SCHOOL DISTRICT Lignite, North Dakota

Superintendent & Elementary Principal

Contact: Julie Kreklau, Business Manager

Phone: 701-933-2821

Email: julie.kreklau@k12.nd.us

Deadline: open until filled

Position begins: July 1, 2017



2017 NDSBA Annual Convention

October 26-27, 2017

Ramkota Hotel, Bismarck

2018 NDSBA Annual Convention

October 25-26, 2018

Ramkota Hotel, Bismarck



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EDITOR

Jon Martinson

PUBLISHER

North Dakota School Boards Association

PO Box 7128

Bismarck, ND 58507-7128

TELEPHONE 1-800-932-8791

LOCAL (701)255-4127

FAX (701)258-7992

WEB SITE www.ndsba.org

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■ by Jon Martinson, NDSBA Executive Director

The Impact of Measure 2 on K-12 Funding

“Follow the money.” That is arguably the most memorable phrase from *All the President's Men*, the movie about Watergate by Woodward and Bernstein. It was spoken by Hal Holbrook, the actor who played “Deep Throat” who was self-revealed in 2005 to be Mark Felt, a senior FBI official.

The phrase is pertinent because the topic of this column deals with money. Specifically, the alarming depletion of money (after only one legislative session) in the Foundation Aid Stabilization Fund as a consequence of the vote by citizens of North Dakota in last November's general election. You will recall that the passage of Measure 2 allowed the Legislative Assembly to spend money in the Fund—all but 15 percent of the money necessary to finance the K-12 budget.

Let's take a look at what happened during the 2017 Legislative Session.

At the beginning of the 2015-17 biennium, there was over \$617 million in the Fund. That amount grew during the biennium to over \$739 million due to the oil extraction tax that added \$121.7 million to the fund.

During the 2017 session, legislators transferred \$295 million from the Foundation Aid Stabilization Fund directly to K-12 education funding. That meant that the Fund saved legislators from having to take that amount from the state's general fund. In other words, K-12 funding was supplemented by Measure 2 funding.

Of the \$295 million, \$110 million was allocated for on-going expenses and \$185 million was spend on one-time funding. One-time funding for the 2017-19 biennium included:

\$100,000 – REA merging grant

\$6 million – Rapid enrollment grants

\$500,000 – English Language Learners

\$75 million – School construction assistance loan fund

\$2,477,000 – Career and Tech Ed grants

The balance of funds not appropriated for one-time funding went to: (1) state school aid, (2) transportation, and (3) special education.

The Foundation Aid Stabilization Fund can't sustain ongoing funding for one-time expenses beyond the 2017-19 biennium. Therefore, if funding for those items continues, money must come from another source.

The amount required to remain in the Foundation Aid Stabilization Fund is 15 percent of the money provided for the DPI budget. That amount for the 2017-19 biennium amounts to \$266.7 million.

It is estimated that during the 2017-19 biennium, \$133.5 million will be deposited in the Foundation Aid Stabilization Fund from the oil extraction tax.

Here are bottom line comparisons for two biennia according to ND Legislative Council estimates:

2015-17	2017-19
\$623,322,150	\$377,795,150 – Estimated ending balance (including oil extraction tax)
<u>\$252,266,100</u>	<u>\$265,770,900</u> – Required 15 percent must remain in the Fund
\$371,056,050	\$112 million – Estimated ending balance available

As a component of Measure 2, the Legislative Assembly retains its right to continue to spend money in the Fund that is in excess of the required 15 percent (i.e., \$112 million). It is clear to see that there will be inadequate revenue in the Foundation Aid Stabilization Fund to sustain one-time expenditures beyond the 2017-19 biennium.

The NDSBA Board of Directors opposed Measure 2 because they were concerned about how quickly dollars in Foundation Aid Stabilization Fund would be diminished. They were correct.

■ LEGISLATIVE WRAP-UP

Continued from page 1

and one unit or two half units of any other science. Now students will have a second option. They can meet the science requirement by completing one unit of biology, one unit of chemistry, and one unit of physics.

SB2185 provides that computer science is acceptable as one of the three mathematics courses required for high school graduation and for various North Dakota scholarships.

HB1052 changes the grade range for the administration of state assessments to include grade 12.

ELECTRONICS AND TECHNOLOGY

HB1037 requires that, as a condition of approval, schools use North Dakota eTranscripts, or an alternative designated by the Information Technology Department, to generate official transcripts and to submit official transcripts for North Dakota academic or career and technical education scholarships. The bill also requires that school districts use a state course code, assigned by the Superintendent of Public Instruction, to identify all local classes in PowerSchool.

SB2021 directs the Center for Distance Education to annually provide school districts with a list of courses offered by the center. Each school district must in turn notify parents and students of the courses and of the district's policies regarding course selection and related fees.

FINANCE

HB1013 provides various appropriations for the Department of Public Instruction. Included therein are the following: \$10,000 for "We the People," \$20,000 for national writing projects, \$30,000 for the Youth Entrepreneurship Education Program, \$100,000 to encourage the consolidation of regional education associations, \$200,000 for Global Bridges, \$220,000 for the Governor's School, \$225,000 for the Displaced Homemaker Program, \$238,000 for the North Central Council for Educational Media Services, \$350,000 for rural art outreach projects, \$800,000 for gifted and talented students, \$1.53 million for several initiatives including "Leveraging the Senior Year," \$2.05 million for teacher mentoring, \$3.1

million for adult education, and \$55.4 million for transportation. The 2017-19 integrated formula payments totaled \$1,935,204,163.

HB1191 provides that a loan agreement allowing a school district to borrow against anticipated revenue must be signed by the president of the school board and the business manager.

HB1192 provides that notification to the Superintendent of Public Instruction indicating a school district has made satisfactory arrangements for the payment of principal and interest on an evidence of indebtedness must be made at least 15 working days before the principal or interest is due.

HB1296 provides that all employers, regardless of the number of employees, must file electronic wage reports for taxable years beginning after December 31, 2017.

HB1324 maintains the per-student payment level for each year of the 2017-19 biennium at the current amount of \$9,646. The minimum per student funding level continues to be at least 108% of the baseline per weighted student unit.

SB2222 requires that the county auditor certify the amount of uncollected taxes to the business manager of a school district on July 10 rather than the current date of June 10.

SB2250 provides \$1,000 early childhood education provider grants for children who are eligible for reduced lunches, and \$2,000 for children who are eligible for free lunches.

SB2272 provides \$60 million from the Coal Development Trust Fund for unanticipated needs-based construction projects or repairs, makes the school construction assistance loan fund at the Bank of North Dakota a revolving fund, and provides that accessible dollars in the Foundation Aid Stabilization Fund may be used only for education-related purposes, i.e., purposes related to public elementary and secondary education, including state aid to school districts, career and technical education grants to school districts and area centers, and education-related property tax relief.

In accordance with this definition, \$500,000 was appropriated from the Foundation Aid Stabilization Fund to provide English language learner grants

to the four school districts serving the greatest number of level I-III English language learners. An additional \$6 million was appropriated for rapid enrollment grants. Both of these appropriations are designated as "one-time" funding.

SB2321 increases the ending fund balance limit from 35% plus \$20,000 to 35% plus \$50,000 and provides for an ending fund balance of 35% plus \$100,000 in the case of school districts participating in approved academic cooperatives and considering reorganization.

OPEN RECORDS

HB1345 authorizes written clarification regarding an open records request, allows for fees to be charged if a requester wants paper copies of electronically available records, and allows a public entity to refuse a request for the inspection or provision of certain records if repeated requests disrupt other essential functions. A requestor may in turn seek an attorney general's opinion with respect to the appropriateness of the refusal. The bill also provides that training seminars are not considered to be a "meeting," provided no public business is considered or discussed.

SB2152 provides that if a public entity receives applications from three or more individuals for a vacant position, the public entity must designate three or more of the individuals as finalists for further consideration before the public entity may issue an offer of employment to fill the position.

PARENTAL OPT OUTS

HB1389 allows a parent to opt a child out of any state assessment and out of any other test or assessment that is not required for grade completion or graduation, with the exception of the ACT and WorkKeys.

HB1428 states that a parent providing home education may opt out of state assessments if the parent has a philosophical, moral, or religious objection, or if the parent is licensed to teach, holds a baccalaureate degree, or has met or exceeded the cutoff score of a national teacher examination.

REGIONAL EDUCATION ASSOCIATIONS

HB1013 appropriates \$100,000 from

Continued on page 4

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■ LEGISLATIVE WRAP-UP

Continued from page 3

the Foundation Aid Stabilization Fund for regional education association merger grants in the amount of \$25,000 per merging association.

HB1324 contains language indicating it is the intent of the Legislative Assembly that, during the 2017-19 biennium, regional education associations merge or partner with other regional education associations and educational service providers to form the most efficient and effective system of support for the schools of this state. The bill also requires the State Board of Public School Education to provide oversight to the associations and it requires the associations to be audited, at least once every two years.

STUDENTS

HB1275 provides that a student may not be prohibited from voluntarily participating in any student-initiated prayer at an activity held on the premises of a public or nonpublic school.

SB2249 prohibits a student from participating in extracurricular activities if the student is guilty of certain crimes or is the subject of certain restraining orders.

TEACHERS

HB1098 alters the academic requirements for individuals teaching at various elementary and high school grade levels.

SB2037 increases the amount of student loan forgiveness provided for individuals teaching at grade levels or in content areas identified as having a teacher shortage.

SB2038 requires that school districts provide at least eight hours of professional development every two years regarding youth behavioral health. The offerings must be provided to elementary, middle, and high school teachers, as well as administrators.

SB2244 provides tuition support for the pursuit of graduate level classes by high school dual-credit teachers.

SB2324 extends the time for conducting teacher evaluations from

March 15 to April 15.

WEAPONS

HB1279 provides that the prohibition on possessing a dangerous weapon at a public gathering does not apply to the storage of a weapon on school property by an individual who resides in a dwelling on school property, provided the individual stores the weapon in the individual's residential unit and the school board consents to the storage.

MISCELLANEOUS

HB1334 prohibits high-risk sexual offenders from residing within 500 feet of a public or nonpublic preschool or elementary, middle, or high school.

HB1369 establishes the forms of identification that a qualified elector must present before receiving a ballot.

HB1419 provides \$250,000 to the Game and Fish Department for the dissemination of grants to promote and facilitate shooting sports in schools and clubs and among organized youth groups.

SB2030 replaces statutory references to the NDEA with "ND United."