



North Dakota Senate

STATE CAPITOL
600 EAST BOULEVARD
BISMARCK, ND 58505-0360



Senator Donald Schaible

District 31
9115 Highway 21
Mott, ND 58646-9200

dgschaible@ndlegis.gov

COMMITTEES:

Appropriations

March 13, 2023

Introduction to SB 2284 Senator Don Schaible, District 31

Good afternoon, Chairman Heinert and the House Education Committee. For the record, my name is Senator Don Schaible, here to introduce SB 2284 which will be the K-12 funding bill. Sometimes there is questions why this bill is not included in the K-12 budget bill, but I believe that Education Policy should also have their fingerprints on this bill also, for it's very hard to separate policy from appropriations and I believe policy should be involved with the processes. I will walk through each section, and if you would like, I can take questions after each section and/or after my presentation.

Sec. 1 suggest that members of the State Board of Public Education selected by legislative districts rather than counties would provide better representation with more even population than with counties for it has been difficult to find people that wanted to serve on the board. The clarification that is offer in subsection 3. Pg 2 is what has been in practice for years until lately so it may be good to clarify the intentions of how members are appointed. Line 17-19 also indicates that two members must be working administrators. This clarification came for issues that have recently took place because of issues for CTE centers and projects with CARES and ESSER moneys that were made available during the last session and special session.

Sec. 2 Adds language "in the school district" to clarify that probationary teacher in the same district are affected by this section. This question was put before the supreme court during the last interim and they ruled that legislative intent was that the 2 years were in the same school district, this just clarifies century code to match intent and court ruling.

Sec. 3 came at the request of the North Dakota School Board Association to make sure that the definition of Weapon is consistent though out Century Code.

Sec. 4 and 5 Deals with on-time funding.

On page 5 line 26 allows for total on time funding by accelerating the on time weighting factor to 1.0 in 2023-24; this was scheduled to be phased in by 2025-26 by raising the factor by a .1 The cost of this is \$5.3 million. Section 5 explains how a school will pay back for student that were paid for but not in the school district at the end of the school year.

Section 6 deals two or more schools that consolidated and if they are so many miles apart, they could use the size weighted factor of their original numbers that would produce more money for the district. The strike out language set that distance of 19 miles or more. This has been addressed in other bills and is no longer needed.

The first thing I would like to mention about Section 7 that there is 6 pages of duplicate language that start on page 7 line 3 through page 13 line 26, and page 13 line 27 through page 20 line 13. This duplicate language is necessary because of details that are required with the different dates. The first language is for code effective through June 30, 2025, and the second set of language effective after June 30, 2025.

Section 7 starting on page 9 is where we suggest a 3% x 3% increase for the next biennium per pupil payment to be \$10544 for 2023-24 and \$10860 for 2024-25.

The strikes out language Page 10 Starting line 23 through page 12 line 7 removes the requirement on transition maximum schools and moves them all on the formula at a cost of \$14.8 million.

Sec. 8 suggests to our current school construction loan program. Under our current program, school can ask for a \$10m loan at 2% interest for school construction for 20 years. This program was started in 2015 with the intent of creating a revolving low interest loan fund that would become self-sustaining without any additional cost to the state. This School construction loan fund has seen a few changes but has been very successful to our schools even during a period of low interest rates. The improvements in this bill intend to correct a couple of issue that still remain. One of the biggest complaints is that \$10 million was not much help to our larger school that projects are costing much higher levels than \$10 million. The amendment on page 20 creates a two tiered system for smaller schools projects costing less than \$75 million could apply for a \$10 million loan and projects over \$75 million, schools could apply for a \$50 million low interest loan.

Sec 9 suggests a study of school transportation services funding.

Sec 10 requests \$1,000,000 of general funding and in sec 11 \$1,000,000 of turn back dollars implementing The Science of Reading we implemented from last session.

Sec. 12 provides an infusion of \$75 million to the construction loan program which provides a good start to creating a two tiered program that should provide property tax relief to school construction and moves us along to getting a self-sustaining revolving loan fund. .