



NDSBA
NORTH DAKOTA SCHOOL
BOARDS ASSOCIATION

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HB 1461
House Finance & Taxation Committee
Testimony of Alexis Baxley | January 31, 2021

Chairman Headland and members of the Committee, my name is Alexis Baxley. I am the executive director of the North Dakota School Boards Association. NDSBA represents all 170 North Dakota public school districts and their boards. NDSBA stands in opposition to HB 1461.

HB 1461 would reduce a school district's ability to increase its mill levy without going to a vote. Currently, the number of dollars a district can raise each year – mills levied multiplied by assessed valuation – cannot increase by more than 12 percent each year. Additionally, the formula caps the number of general fund mills a district can levy. This provides protection to property owners. If districts are forced to go to a vote each time they hope to raise their mill levy by more than 5 percent – if they are not already at the max - and assessed valuations cannot increase, it will be absolutely devastating. The costs school districts incur are not stagnant – electricity, food, transportation costs, teacher salaries – the cost of these things increase every year.

To further cap a district's ability to levy the currently allowed 60 mills will disproportionately harm our fastest growing districts. We have tweaked the formula over the last few biennia to get these districts closer to on-time funding. Rather than ensuring these districts are able to serve the students in their district, we will have effectively reduced the per pupil payment they receive from the state below the level set by this body. This will create considerable inequities between districts. Furthering the issue, one district's patrons may be willing to increase their mill levies regularly, while another district's may not ever be willing to approve an increase.

We believe protections for property owners are already written into the formula and state law. Our school boards are responsible stewards of public funds and are constantly under pressure to keep their levies low. However, citizens have the opportunity to vote out anyone who they believe is not being prudent with taxpayer funds.

For this reason, NDSBA stands in opposition to HB 1461 and encourages this committee to give it a do not pass recommendation. I would be happy to answer any questions the committee may have.