



North Dakota Senate

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COMMITTEES:

Appropriations

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Introduction to SB 2284 Senator Don Schaible, District 31

Good afternoon, Chairman Elkin and Senate 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.

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 and with counties, 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. These 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 Adding language "in the school district" is clarify the probationary teacher in the same district. 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. The NDSBA is here to further explain this request.

Sec.4 The original intent of this section was to allow school to evaluate teachers and only provide professional development to only ones that need it. With further discussion with DPI and Educational Leaders, we found out that is what is happening already. At the end of my presentation, I will be suggesting a few amendments for your consideration, one of the is to Section 4 of this draft.

Sec. 5 and Sec 6 page 7 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.

Sec. 7 deletes language that is obsolete and no longer needed.

Sec.8 would seem like there is a lot of duplicated language, which there is, which address two different effective dates. As you will notice on page 8, line 17 and 18 through page 15 line 10 shows and effective date through June 30th, 2025. On page 15 line 11-12 and all the language through page 21 line 28 is for an effective date after June 30, 2025.

The effective change of this section is the amount for the per pupil payment and does suggest for a 3% X 3% increase to the amounts of \$10,544 for 2023-2024, and \$10,860 for 2024-2025. This is a cost of \$119.9 million.

The strikes out language Page 12-13 and page 18 line 27 through page 20 line 11 removes the requirement on transition maximum schools and moves them all on the formula at a cost of \$14.8 million.

Sec.9 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 with out any additional cost to the state. This School construction loan fund has see 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. So the amendment on page 22 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. 10 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. .