



NDSBA
NORTH DAKOTA SCHOOL
BOARDS ASSOCIATION

P.O. Box 7128
Bismarck ND 58507-7128
1-800-932-8791 • (701)255-4127
www.ndsba.org

HB 1192
Testimony of Amy DeKok
House Political Subdivisions Committee
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Chairman Dockter and members of the Committee, my name is Amy DeKok. I am in-house Legal Counsel for the North Dakota School Boards Association. NDSBA represents all 178 North Dakota public school districts and their boards. I am here today in opposition to HB 1192.

HB 1192 would remove 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 – if they are not already at the max - and assessed valuations can never 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.

Additionally, capping the number of dollars a district can raise at the current levels is only going to push more of the burden to fund K-12 education on the state. The fiscal note attached to HB 1192 estimates the state's increased share to be around \$37 million this biennium. I can only imagine those totals will continue trending upward. Locking local contributions in at 2021 levels and requiring the state to pick up the tab for the rest going forward is incredibly dangerous. Sooner or later, our state will be tapped out and we will be unable to provide an equitable education to all students as required by our constitution.

This change could also create considerable inequities between districts. 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. Requiring the state to pony-up the extra dollars without local skin in the game would likely lead us to litigation like we saw in 1989 and 2005.

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. To halt property valuations at the amount they are now – never allowing them to increase – is foolhardy, and will lead to the demise of school districts and other political subdivisions.

For this reason, NDSBA stands in opposition to HB 1192 and encourages this committee to give it a do not pass recommendation. I would be happy to answer any questions the committee may have.