



North Dakota Small Organized Schools

Mr. Michael Heilman
Executive Director
3144 Hampton Street
Bismarck, ND 58504
mheilmandsos@gmail.com
701-527-4621

Mr. Brandt Dick
President
PO Box 100 – 123 Summit Street
Underwood, ND 5857
Brandt.Dick@underwoodschool.org
701-442-3274

Mr. Steven Heim
Vice-President
PO Box 256
Drake, ND 58736
Steve.heim@k12.nd.us
701-465-3732

HB 1028 – Temporary Transfer of Funds

Testimony in Support

Michael Heilman – Executive Director North Dakota Small Organized School

February 10, 2021

Chairman Schaible and members of the Senate Committee, my name is Michael Heilman. I am the Executive Director of the North Dakota Small Organized Schools (NDSOS). I represent 154 member school districts of the North Dakota Small Organized Schools. I will keep my testimony brief as NDSOS's position is much the same as NDCEL's.

NDSOS stands in support of HB 1028. The bill before is a result of schools ending fund balance being impacted by infusion of COVID relief dollars. In many cases, especially with smaller schools, budgets are at 1 million dollars or less and they maintain an ending fund balance close to the state mandated limit of 35% + \$50,000. One major expenditure can easily deplete carry over dollars completely. Large schools often maintain a carryover balance of 10%, but small schools are proportionately closer to the maximum allowed carryover.

These school had an immediate dilemma on whether to spend COVID relief dollars and risk being over the maximum allowed carry over. Because of time frames many of these decisions had to be made without adequate time and input. Schools in this situation moved funds from the general fund to the building fund with a very specific motion with the understanding that legislation would be purposed allowing those very specific funds, a one-time move back to the general fund. This legislation allows our schools to be good stewards of these dollars and an opportunity to use them in a manner that will be beneficial long after COVID is off our radar.

NDSOS support HB 1028. Chairman Schaible members of the committee, I will stand for questions.

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The mission of NDSOS is to provide leadership for the small/rural schools in North Dakota and to support legislation favorable to their philosophy while opposing legislation that is harmful.