



NDSBA
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SB 2327
Senate Education Committee
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Testimony of Alexis Baxley

Good afternoon Chairman Schaible and members of the Senate Education Committee. My name is Alexis Baxley, and I serve as the executive director of the North Dakota School Boards Association. NDSBA represents the elected school boards of all 175 public school districts and several special education units in North Dakota.

The North Dakota School Boards Association stands in opposition to SB 2327. While one large grant to cover all the debt of districts sounds nice, the reality is this bill eliminates the taxing authority of locally elected school boards. By eliminating a school district's ability to levy taxes, SB 2327 makes all districts beholden to the state for all necessary funds to operate. Funds to build or maintain buildings, funds to cover the cost of utilities, funds for technology updates or a new school bus, funds for safety measures, and funds for teacher salaries are all at the behest of the State of North Dakota.

Unfortunately, we know that one size does not fit all when we are talking about public schools and education. The per pupil cost to educate students in rural districts is higher due to a lack of efficiencies of scale. Teacher salaries in larger districts are higher due to increased competition and cost of living. The state has already dealt with the inequities created by one-size-fits-all funding mechanisms in previous lawsuits.

NDSBA believes that the State of North Dakota should provide at least 70% of the funding necessary to operate public schools. We also believe that local control is paramount to the success of this endeavor. Districts and their patrons should have the ability to decide when a new building, for example, is appropriate for their district through the approval of local mill levies. In fact, this bill boldly questions the choices of locals who have already approved excess levies through their elimination in SB 2327. A minimum local contribution is necessary to maintain local input and local control.

I also question the totality of the fiscal note attached to this bill. That is not a knock on those who prepared the note; potential costs to the state because of the elimination of school district's taxing authority are nearly impossible to calculate. The state will now need to cover local contribution previously deducted from the per-pupil payment, building funds used to maintain facilities, tuition, etc. The state of North Dakota's economy relies almost entirely upon commodities – we are all aware of how the volatility of the energy and agriculture industries effects state revenues. I worry that if the entire burden of funding is placed

upon the state, it will struggle to adequately fund education in good years – never mind down years. This shortfall will undoubtedly negatively affect students, teachers, schools, and communities.

Imagine me for a minute the path we could go down if local school districts are forced to rely upon the state to fund every expense related to public education. Local school districts will be forced to come before state officials to prove the worth of their every need. How will the state evaluate and prioritize these needs when there are not enough funds to cover them all? It is not unthinkable to believe that when faced with these choices districts and the state will be lured towards consolidation. Faced with lack of adequate funds, perhaps encouraged by the state, 175 districts will become 100, and then 50 in search of economies of scale. Small towns across North Dakota will lose their local school system – the ultimate loss of local control.

While we understand the desire for lower property taxes, we believe in local choice. NDSBA requests that the committee to give the bill a do not pass recommendation. I would be happy to answer any questions.