

House Education Committee

Rep. Heinert, Chair

January 17, 2023

HB 1185

Chairman Heinert and members of the House Education Committee, my name is Mark Vollmer. I proudly serve as Superintendent of Minot Public School District #1 and Minot Air Force Base #160. I stand in front of you today to offer our support for HB 1185, a bill to amend and reenact section 15.1-36-02 of the North Dakota Century Code, relating to grants from the coal development trust fund for construction purposes affected by unanticipated construction inflation.

On December 7, 2021, Minot Public School District #1 successfully passed a bond issue to convert a local call center into a comprehensive 9-12 high school, to retrofit Magic City to serve as a comprehensive 9-12 high school, and to transition Central Campus to serve as the district's 3rd in-town middle school. This vote also included the addition of a 50-meter pool and outdoor athletic complex. The issue passed with nearly 85% of voters offering support for the project.

This vote - a vote to support secondary education in Minot was the first successful middle school/high school expansion since 1969. A project that has been 52 years in the making.

From schematic design to the development of construction drawings, the district worked closely with our construction team to design a project that would meet the needs of our district, and specifically, a project that would fall well within our construction budget.

As bids came in, the district worked to adjust our sails, and looked for cost-savings in every aspect of our construction projects. In late October, the district opened bid packet 3. It was evident that the rampant inflation had taken its toll on our local project. The district and construction management entered into a 58-day value engineering process, seeking reductions in our scope of work, requesting bids for scopes of work that had no bidders, and negotiating with construction companies. The district was able to cut nearly 5.5 million dollars from the budget.

Such drastic cuts come at a long-term cost to the taxpayer. The original roof top air handlers on the existing structure will be reused rather than replaced – these units are near the end of service, and simply put, we are kicking that can down the road. Many bathroom surfaces will not be tiled, and we have removed amenities such as a commercial kitchen in the FACS department. Many science prep areas and storage areas have also been eliminated. Lighting systems have been modified, and the district has decided not to advance plans for a large data center in the building.

The voters of Minot, Mandan, West Fargo, and Rugby voted to approve an expansion of their individual districts. These districts are now being hampered by Washington based, tax and spend inflation that is crippling our local economy. This rampant inflation has spread like a fast-growing cancer, and has altered the original plans set forth by these communities.

The school districts you will hear from today have worked diligently to seek cost-savings while maintaining the integrity of these voter-approved projects. HB 1185 allows our school district to finalize these projects, to deliver on the promise made to our voters, and to support our students as our communities so desire.

It is grossly unfair that school districts, and taxpayers therein, are caught in an unprecedented, 20% inflation cycle that is crippling the construction economy throughout the United States.

HB 1185 allows the State of North Dakota to step up where our federal government has failed. HB 1185 allows these school districts the opportunity to complete these voter-approved projects. HB 1185, providing a grant from the coal development trust fund, rather than a loan, can balance the construction budgets of school districts that are caught in the cross-fire of staggering inflation.

Thank you for allowing me to share our story. I offer my support of HB 1185 and will stand for any questions you may have.