

SB 2328 - Relating to Weighting Factors for Rural Schools

Chairman Elkin and Members of the Senate Education Committee,

My name is Ian Grande and I am blessed to have the opportunity to serve as the Superintendent and Secondary Principal of the Hope-Page School District. I am here in support of Senate Bill 2328. The Hope-Page School District is slated to see its state funding drop by 39% or \$1,458,599 from 2020-2021 to 2027-2028 - despite a small increase in the number of students the district serves. Assuming that the per pupil payment increased annually by an average of 1%, it would take 49 years (2069) for the Hope-Page School District's funding to exceed the 2020 funding level.

The situation becomes even more ominous when we consider the current inflationary environment we find ourselves in. Costs are likely going to be substantially higher in 2028 than they were in 2020 due to high inflation. Compounding the problem further is a shortage in labor. While the shortage of teachers in rural North Dakota is not a new phenomenon, the problem appears to be getting even worse in recent years. During the previous hiring cycle, the Hope-Page School District received zero applicants from North America for an open science position - two applicants eventually emerged from the Philippines.

Senate Bill 2328 offers a way to help schools like Hope-Page get onto the funding formula in a sustainable way. It is important to note that even if both proposals are passed as written and there is an annual increase of 1% to the funding formula, it will still take until 2031-2032 for Hope-Page's funding to return to the level it was at in 2020-2021. It will take a significant commitment and sacrifice from the school district and taxpayers to bridge that gap but there would be a framework in place for the school district to continue providing the best possible education for the students in our school district.

Senate Bill 2328 features two amendments to Century Code. Amendment #1 broadens the classification of isolated school districts to include districts that serve fewer than 200 students but have a landmass larger than 400 square miles. Amendment #2 would allow school districts

with multiple plants that are at least 14 miles apart to receive an independent weighting factor for each plant. Amendment #1 acknowledges the additional costs of operating a large land mass district with low population density while also helping school districts transition onto the funding formula in a sustainable way. Amendment #2 acknowledges the additional costs of operating two plants in separate communities that are at least 14 miles apart. It also removes a disincentive for smaller school districts to get creative with consolidation. Lastly, amendment #2 acknowledges that persistent inflation has caused a large spike in construction costs, making this an extremely poor time to pass a bond referendum for an addition to one of the plants.

Collectively, 24 of the 25 school districts (96%) that are positively affected by this legislation are slated to see their funding drop from 2020 through 2028 due to a loss in transition minimum funding. In 2027-2028, this group will see a drop in funding of \$13,691,107 when compared to 2020-2021. This would equate to an \$27,382,214 drop in funding for the biennium. Viewed from the opposite lens, the state of North Dakota is slated to realize a \$27,382,214 savings each biennium from these 25 schools due to the funding decrease. This is significant for two reasons. First, the fiscal note from this bill is covered by the reduction in funding that this group is slated to experience. Second, the groups collective funding will still be lower in 2027-2028 than it was in 2020-2021 even if the bill is passed exactly as it is written.

My primary motivation for coming here today is to advocate for the students in the Hope-Page School District and the communities that make up our district. My wife and I are proud parents of three young boys ages 5, 2, and 3 months. I am confident that our school district provides a high quality education to all of our students and Senate Bill 2328 would give us an opportunity to continue doing that.

I urge you to vote YES on SB 2328 and I am happy to answer any questions that you may have.