

Representative Mike Lefor

## HB 1199 Testimony

Good morning chair Bekkedahl, vice chair Krebsbach, and members of the Senate appropriations committee, for the record my name is Mike Lefor and I represent District 37 – Dickinson in the House. I bring HB 1199 to you for your consideration.

During the special session of the legislative assembly, approximately \$88 million was allocated for the construction of career and tech academies in the state. These dollars were allocated through the federal government's American Rescue Plan or ARPA for short. Since then, only \$20 million of those dollars has been moved to these projects. We are waiting for the federal government to authorize the use of these dollars for the purposes contained in this bill. It may take several months to gain approval.

As many as 13 projects were affected by this process and a partial release of funds, has stopped the progress of many of these projects. Additionally, with inflation and supply chain issues, the costs have risen since this was approved by the legislative assembly.

HB 1199 would move those dollars to these projects faster than it is expected to be released by the federal government and we would not lose another construction season. The remaining balance of this previously approved plan would be \$68,276,228 and would be moved through a line of credit at the Bank of North Dakota at prevailing interest rates.

Finally, the sum of up to \$2,000,000 in order pay interest to the bank. It is hoped that those dollars will become available within several months and that amount will not become necessary. The bill also provides that if the funds are not sufficient to repay the line of credit, or the federal government does not move forward with final approval, the department of career and technical education shall request a deficiency appropriation from the 69<sup>th</sup> legislative assembly.

On page two, lines 13 and 14, it allows for funding to be awarded to foundations which are working with career and tech academies projects. There is one foundation working with an academy and this allows for the funding to flow to that project as well.

Finally, in Section 4, it authorizes the Bank of North Dakota to transfer \$20,000,000 from the banks current earnings to the PACE program. The program has been very successful and the funding will allow them to complete the loans applied for in the current biennium. This was a request from the bank. The amended bill contains the emergency clause to move these dollars to these CTE projects and the Bank more rapidly.

That concludes my testimony and I would happy to answer any questions. Thank you.