



1 HB 1238

2 Testimony in support – Ending Fund Balance and Study

3 Chairman Elkin and members of the Senate Education committee, I am here  
4 representing the North Dakota Council of Educational Leaders supporting school leaders  
5 across North Dakota.

6 We are in support of the bill which would continue the moratorium on the Ending  
7 Fund Balance until 2027 (two biennia) and to couple that with the study as outlined in  
8 the bill. The history of the ending fund balance is a rich one in the ND Legislature, this  
9 concept being debated often in my decade in this position. Last session, the ending fund  
10 balance was put on hold through June 30, 2023, as a response to ESSER federal dollars  
11 coming to our schools. Our schools will still be working through those dollars past the  
12 2023 date, and furthermore, the usefulness of the ending fund balance and some of the  
13 negative repercussions of the current limits should be further investigated in tandem  
14 likely with the usual education finance interim committee topics.

15 We've seen ramifications of ending fund balance limits that are very low with schools.  
16 Schools are the only political subs that have these limits, and the limits are so low that  
17 schools are operating with far less than 3 months of operating expenses in reserve, they  
18 are unable to save responsibly for deferred maintenance, and it is hurting their credit  
19 ratings in the bond market when they need to borrow money to build, remodel or repair.  
20 This study will look at this issue among others.

21 Please take this into consideration as you discuss and vote on this bill.

*NDCEL is the strongest unifying voice representing and supporting administrators and educational leaders in pursuit of quality education  
for all students in North Dakota.*

*Executive Director: Aimee Copas-----Government Lead and Special Projects: Kevin Hoferz*