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HB 1329

Testimony of Amy De Kok House Education Committee January 28, 2025

Chairman Heinert and members of the House Education Committee, thank you for the opportunity to provide testimony today. My name is Amy De Kok, and I serve as the executive director for the North Dakota School Boards Association. I am here to express opposition to HB 1329, which mandates the establishment of a government spending database requiring detailed data submissions from local school districts, among other entities.

While transparency and accountability in government spending are laudable goals, this bill places an undue and unfunded burden on local school districts, particularly on school district business managers, without addressing critical implementation and funding concerns. I urge the Committee to carefully consider the following points:

Immense Burden on Local School Districts

HB 1329 requires school districts to provide extensive, detailed expenditure data, including descriptions of educational materials, curriculum, software specifications, and more. Compliance with these requirements would impose a significant administrative burden on already stretched school district business managers and staff. These professionals are responsible for myriad operational duties, including budget preparation, payroll processing, financial reporting, compliance with state and federal regulations, and oversight of day-to-day financial operations. Adding such labor-intensive data reporting requirements will overwhelm their already heavy workloads and divert time and resources away from their core responsibilities of supporting schools and students.

No Identified Funding Mechanism

The bill does not provide a funding mechanism to offset the costs that local school districts will incur to comply with the reporting requirements. Data collection, verification, and submission will require additional staff time, upgraded technology systems, and possibly hiring new personnel—expenses that are not accounted for in this legislation. This unfunded mandate unfairly shifts financial responsibility to local school districts, many of which are already facing tight budgets.

Lack of Clarity on Database Accessibility

The bill is silent on whether the proposed database to be built by the state treasurer will be accessible to school districts for submission, verification, and review of the required information or if the system will be compatible or integratable with their existing systems. Without clear guidance or tools to facilitate data submission, the process becomes even more cumbersome and prone to errors, further exacerbating the challenges faced by school districts.

Redundancy of Information

The information required for this database is already available to any member of the public at the local level. School districts maintain comprehensive financial records, which are largely held electronically, and provide transparency through publicly available budgets and audits. Mandating a separate reporting system duplicates existing efforts, leading to inefficiency without clear added value.

Lack of Demonstrated Need

There has been no compelling evidence presented to justify the creation of this database as it pertains to school district expenditures. Local schools are already transparent with their finances, and the additional layer of reporting mandated by this bill appears unnecessary. It risks creating a solution in search of a problem, while imposing significant burdens on local education systems.

In conclusion, while the intention behind HB 1329 is appreciated, its implementation would place undue financial and administrative burdens on local school districts without providing any corresponding funding or demonstrated need. The likely impact on school district business managers, who are already tasked with significant responsibilities, cannot be overstated. Their ability to effectively manage school district finances and operations would be severely hindered by the additional workload imposed by this legislation. I respectfully urge the Committee to oppose this legislation or, at a minimum, amend it to provide the necessary funding and support for local entities to comply with these requirements.

Thank you for the opportunity to provide testimony. I am happy to answer any questions the Committee may have.