

**HB1604**  
**Bill Testimony**  
**Rep. Eric J. Murphy**  
**District 43, Grand Forks**

Chairman Heinert and my honorable colleagues of the House Education Committee. HB1604 is a bill focused on school construction for K12 schools across the State of North Dakota. Many of our rural schools require replacement as their physical plants reach the end of their life cycle. This is compounded by many of our rural communities having a mill rate that will not support new school construction. This is evident in the PowerPoint presentation. You'll hear from several superintendents about how their districts are struggling with this very issue.

This initiative is a bold and it grew out of our work during the interim on the K12 School Funding Task Force. It became clear to me that we needed a new path forward, one that blends a mix of funds on a sliding scale. Local funds depend upon the mill value and state funds make up the difference to build schools.

Value of Mill	% State Payment
<\$5,000	95
\$5,001-10,000	90
\$10,001-15,000	80
\$15,001-25,000	70
\$25,001-35,000	60
\$35,001-50,000	50
\$50,001-65,000	40
\$65,001-95,000	20
>95,001	5

Many hotel chains use the same plans across the country for their hotels. Why? Ultimately it is to reduce architectural plan costs but more importantly, it is because this plan has been built before. From the plumbing to the wiring to the HVAC system, this plan has been built numerous times before and construction crews know the plan. Further, this allows for bulk purchasing.

In HB1604, the major idea is for the State to provide an architectural plan, engineering, and to manage the construction of the school, relieving a small school district from navigating this difficult process. More importantly, it controls costs. Through constructing multiple schools that use the same gym floors, kitchen equipment, HVAC system, roof trusses and so forth, money is saved via bulk purchasing of these items.

Understanding in advance where school construction will be occurring allows subcontractors to plan their scheduling, again reducing the additional locality cost for rural school construction that can increase costs. This program allows the construction manager to bid for multiple schools, allowing for advanced planning that saves money. We need to maximize dollars spent and frankly this plan will put construction money into the local economy, build new schools, and reduce future property tax burden on residents all through one mechanism. Thank you for your thoughtful consideration of this bold, new strategy.

[With North Dakota schools facing 'an impending cliff,' lawmakers consider ways to help fund rebuilding - Grand Forks Herald | Grand Forks, East Grand Forks news, weather & sports](#)