

NDCEL Testimony in Opposition to the Proposed Amendment to Article IX, Section 2 of the North Dakota Constitution

I am here today to testify in strong opposition to the proposed constitutional amendment that would divert distributions from the Common Schools Trust Fund to school construction projects. While I recognize the importance of investing in school facilities, I urge you to consider the long-term ramifications of this proposal on our state's ability to adequately fund K-12 education.

The Common Schools Trust Fund: A Critical Source of K-12 Operational Funding

The Common Schools Trust Fund exists to ensure stable, constitutionally protected funding for our K-12 education system. Currently, distributions from this fund directly support the per-pupil payment, which is the foundation of our state's commitment to providing a quality education for every student. This payment supports teacher salaries, classroom resources, student programs, and the overall educational experience. The proposed amendment would divert \$3 billion over ten years—\$300 million annually—for school construction. This reallocation represents a fundamental shift in the purpose of the Common Schools Trust Fund and threatens the financial sustainability of the per-pupil payment, which is already challenged by increasing costs and enrollment fluctuations.

The Per-Pupil Payment is Already Under Pressure

The per-pupil payment is the primary funding mechanism for school districts across North Dakota. At a time when schools are grappling with inflationary pressures, rising operational costs, and workforce shortages, we must protect, not weaken, the financial foundation that allows our schools to operate effectively. Even with the outstanding support the Common Schools Trust fund currently supplies, over the past 12 years public schools have only had an average 1.85% increase over the past 12 years, and our teachers have only seen a 1.68% average pay increase over that time as well.

Diverting distributions from the Common Schools Trust Fund to school construction would result in significant funding and budgeting shifts when considering how to fund K12 education. If these distributions are reduced, the burden will inevitably shift to the state's general fund or local property taxes to make up the difference—placing increased pressure on taxpayers while creating financial uncertainty for school districts. We are currently only at a 2% increase for schools, no increase in EL and no increase in SPED factor - the future would become even more bleak.

The Common Schools Trust Fund was established with a clear purpose: to provide a steady, constitutionally protected funding stream for K-12 education. The proposed amendment undermines that intent by reallocating critical funds away from operational needs.

I urge you to reject this amendment and instead pursue school construction funding solutions that do not compromise the educational resources that our students, teachers, and schools rely upon.