



1 **SB 2158 Testimony in Support by NDCEL**

2 Good Chairman Weber and members of the Senate Finance and Taxation committee. NDCEL
3 represents all of your school leaders including Superintendents, Principals, Business
4 officials, Athletic Directors, SPED Directors, REA Directors, Tech Directors, and CTE
5 Directors. I am here to support Senate Bill 2158, which provides an essential and flexible
6 framework for the distribution of unobligated cash balances when a school district dissolves.

7 For small communities in North Dakota, the dissolution of a school district can be a
8 challenging and emotional process. I've personally been through this process as a small
9 school superintendent in South Dakota, and what this bill offers is quite similar to a process
10 in place with our neighbors to the south. This bill offers two key improvements that are
11 particularly beneficial:

- 12 1. **Flexibility in Fund Allocation:** By allowing county committees to distribute up to
13 \$500,000 to another political subdivision, the bill enables the strategic use of funds
14 to support vital services or infrastructure. This provision benefits small communities
15 by reinforcing public resources like emergency services, libraries, or road
16 improvements that contribute to community stability.
- 17 2. **Equity for Property Owners:** The option to provide direct cash refunds ensures
18 transparency and tangible financial relief for residents who may experience
19 significant changes in their property taxes during a district transition. This flexibility
20 acknowledges the financial impact on families and ensures that the dissolution
21 process is not a punitive one.

22 NDCEL views this bill as a balanced approach to managing public funds that empowers
23 communities, preserves fairness for property owners, and strengthens local services during
24 district dissolutions. The emergency clause appropriately underscores the urgent need for
25 this reform for upcoming transitions in one of our North Dakota communities at this time.

26 We respectfully urge your support for this important legislation, which addresses both
27 financial stewardship and community resilience. Thank you for your time, and I am happy to
28 answer any questions.

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