

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1466

2001 HOUSE EDUCATION

HB 1466

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1466

House Education Committee

☐ Conference Committee

Hearing Date 01/30/01

Tape Number	Side A	Side B	Meter #
#2	X		1937 to 6146
Committee Clerk Signature <i>Joan Diers</i>			

Minutes:

Chairman R. Kelsch, Vice-Chair T. Brusegaard, Rep. Bellew, Rep. Grumbo, Rep. Haas, Rep. Hanson, Rep. Hawken, Rep. Hunsakor, Rep. Johnson, Rep. Meier, Rep. Mueller, Rep. Nelson, Rep. Nottestad, Rep. Solberg, Rep. Thoreson

Chairman Kelsch: We will now open the hearing on HB1466.

Rep. N. Johnson: (District 37) *Please refer to testimony*

Chairman Kelsch: At the end of your testimony, you talk about, you foresee that not all boards would use it because they sense their community wouldn't want this, but what you've done here, is you've taken out the language that would tell them what they needed to go to the public for, which is, they needed to pass the mill levy increase by a 60% vote people, and all you have left in this bill is the school board, by unanimous vote, can increase the levy, so how would you propose that they would be able to do that, they would just take it to the board of the people and by a simple majority?

Rep. N. Johnson: Good question. I'm not sure.

Rep. Bellew: If I read this correctly, people could not refer this?

Rep. N. Johnson: I'm not sure about that part either.

Rep. Bellew: In talking to my local school superintendent about this bill, it's his feeling that it could be referred only on a statewide referral, not a local referral.

Rep. N. Johnson: I think it would be appropriate, it could be referred on the local level, and that could be another part of it. I wouldn't have any opposition to that.

Rep. Haas: I think that's correct. It could not be referred at the local level. You could start a referendum to change the law, which we would pass, but if this would pass, it would give the local school board the authority to increase the mill levy up to 20 mills for building maintenance. The building fund can only be used for normal maintenance, operation and maintenance of school buildings. It's generally not used for capital construction.

Chairman Kelsch: However, her statement was that school boards wouldn't use that because of their constituency, and what we've done is we've taken out the language that says how they can go to the people to get the approval for the building funds to approve it. My question was, do they just want to leave it at a simple majority, because if the school board doesn't choose to do this, they have to go to the people, then, to get the money.

Rep. Haas: But, if we change it this way, then there's not an option to take the building fund vote to the people, you could still take a bond issue to the people, but the option would no longer be there.

Chairman Kelsch: Yes.

Dean Coppleman: (Superintendent of Dickinson Public Schools) We support the bill. There may be some tweaking needed that we could certainly live with, either the board passing it unanimously or taking it to a vote of the people. We support it from two perspectives, and one of them is the concept of local control. We locally have elected school boards, they're responsive and accountable to the local community, and we feel they are very capable of making those kinds of decisions at that level. They have the responsibility, if we're not doing the job, they're accountable in the community. Secondly, in Dickinson's case, with a \$24 million tax base, we have a border approved, ten mill building fund levy generates approximately \$240,000 a year. We have seven major facilities in our community, tens of millions of dollars worth of infrastructure and \$240,000 doesn't do a whole lot. It's also a fact that getting 60% of votes from your constituents is a very daunting task. You'd like to think that you can always convince people at the 60% level, but there are some things that have to be done in these buildings, and if you don't spend the money at the right time, it magnifies your cost down the road to do some of these things, and the resources just aren't there.

Rep. Mueller: I sat on a school board for twelve years, and I don't ever recall having an issue in regard to what I think we're talking about here, the building fund, which in other words can be a maintenance fund. How do we do that now? How do we change that mill level currently? Is it 60% of the voters?

Coppleman: Yes.

Rep. Hanson: If you want to get the 60% to have an election during the school year, when Dickinson's State kids are in town, they'll vote for it.

Rep. Thoreson: What are the limits now as far as maintenance that you have to, like if you have to go fix the toilet, you don't certainly have to take a vote.

Coppleman: Actually, right now, a lot of the basic operations are paid for out of the general fund's account. In Dickinson, we're already levying the maximum mills. What we use our building for, we tend to use it on larger projects. Major maintenance kinds of things. We don't send any general fund dollars in that category, because that's taken up in salaries and utilities costs and all of those other things?

Rep. Brusegaard: When was the last time you tried to take it to a board of voters to raise your bill levy?

Coppleman: I've been the superintendent for three years, and I can't answer that question. There was bond issue passed about four years ago for a major addition for the high school.

Brusegaard: What was the vote on that?

Coppleman: Having not been there, I'd have to defer the question.

Rep. Haas: It was about 71%.

Chairman Kelsch: When Rep. Johnson was talking about accountability within the city's constituents, I think that Dickinson has been very accountable and to their citizens, but I'm not so sure that every school board is as accountable, and every community is as aware of what's going on, and I guess that's the concern that I have, and you're absolutely correct, your community would recall the school board members in a heart beat, but unfortunately, I think that there may be some of those communities that by the time they figured it out, it probably didn't matter.

Coppleman: I would agree with that. If you look at the top of page 2, I think there's provisions that were in the existing law that aren't being changed by this, that allows that levy to be deferred to the voters with a 20%.

Rep. Brusegaard: I think that's only after all the funds from the increase in mills that have been paid to complete a plan. On the bottom of the first page clarifies this.

Coppleman: In our situation, we aren't making those kinds of payments, so that's if you have an obligation to the state's school construction fund. Even if the language isn't exactly right, it can be adjusted so that there's a community recourse.

Bev Nielson: (ND School Boards Association) Our association passed a resolution last fall in regard to this issue, in favor of it. The local tax payers pick up anywhere from 50%-70% of the cost of education, and 100% of all building costs, and there comes a point where going to the people for a vote, of course we should go to the people, and the people should say, yes. But the fact of the matter is, there are days when I wonder if we put public education up for a vote, if it would get a super majority, because we simply have fewer and fewer and people who are connected with the schools. There has to be some point, where the state legislature, because they receive all the information and look at inflectional costs and so forth. People will not vote to fix the roof. If you put in here that the board votes unanimously and then a week later you have a referral, you may as well leave the 60%, because what's the point. If you're going to go to the people anyway. We haven't even been able to legislation to even have a majority, let alone a super majority. Because we are responsible for it, we can have great math teachers and technology teachers, but if the buildings are falling around us, that's not a very intelligent way to run fiscal operations either. I think they will be responsible.

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Rep. Meier: To you knowledge, what other areas in the state are having problems?

Nielson: We tried to contact superintendents individually, and we didn't have a particularly good response. I know that there have been, in the past, bond issues that have gone down. As far as building levies, to get it up to 20, I very frankly, don't know that that many districts even try. They try to take as much as they can from the general fund, and that seems to be an issue too.

Joe Westby: (NDEA) We support this bill.

Richard Larson: (Superintendent of Minot Public Schools and the Minot Air Force Base)

Please refer to testimony

Chairman Kelsch: We will now close the hearing on HB1466.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1466-b

House Education Committee

☐ Conference Committee

Hearing Date 01-31-01

Tape Number	Side A	Side B	Meter #
TAPE I		X	4680 to
Committee Clerk Signature <i>Juan Diers</i>			

Minutes:Chairman Kelsch: We will take up HB 1466.

Rep Nelson:I will move a DO NOT PASS.

Rep Brusegaard: Second.

DISCUSSION

Chairman Kelsch: We have a DO NOT PASS motion before us, I will ask the clerk to take the roll. The motion fails with a vote of 5 YES, 9 NO and 2 Absent.

DISCUSSION

Rep Haas: Is an amendment in order at this time.

Chairman Kelsch: AN amendment is in order.

Rep Haas: I would move that we amend HB 1466 and remove 60 per cent and insert a simple majority.

Chairman Kelsch: Are you removing the overstrike and lifting the language that is underlined.

Page 2
House Education Committee
Bill/Resolution Number HB 1466
Hearing Date 01-31-01

Rep. Haus: Right, get it in its original form and strike out 60 percent and insert to do so by a simple majority of the qualified electors voting upon etc.

Chairman Kelsch: Goes over the amendment to make sure that it is correct. And the same, you would lift the overstrike on page two on line 28 change to a simple majority.

Rep. Hawken: Would we need to change something on page 3.

Chairman Kelsch: You would remove the over strike on page 3 lines 24 and 25, and line two on the top of page three. Remove the do and put back in the shall.

DISCUSSION

Chairman Kelsch: we have a proposed amendment in front of us, is everyone clear as to what the amendment says. We will try a voice vote on the amendment. Motion carries. What are the wishes of the committee.

Rep. Meier: Moved a DO PASS as amended.

Rep. Thoreson: Second.

Chairman Kelsch: Any discussion, hearing none the clerk will call the roll on a DO PASS as amended on HB 1466. The motion passes with a vote of 9 YES, 5 NO and 1 ABSENT. Carrier
Rep Hawken.

Date: 1/31/01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB1466

House House Education Committee

☐ Subcommittee on _____
or
☐ Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Not Pass

Motion Made By Rep. Nelson Seconded By Rep. Brusegaard

Representatives	Yes	No	Representatives	Yes	No
Chairman-RaeAnn G. Kelsch	✓		Rep. Howard Grumbo		✓
V. Chairwoman-Thomas T. Brusegaard	✓		Rep. Lyle Hanson		✓
Rep. Larry Bellow	✓		Rep. Bob Hunsakor		✓
Rep. C.B. Haas		✓	Rep. Phillip Mueller		✓
Rep. Kathy Hawken		✓	Rep. Dorvan Solberg		
Rep. Dennis E. Johnson	✓				
Rep. Lisa Meier		✓			
Rep. Jon O. Nelson	✓				
Rep. Darrell D. Nottestad		✓			
Rep. Laurel Thoreson		✓			

Total (Yes) 5 Click here to type Yes Vote No 9 Click here to type No Vote

Absent 2

Floor Assignment Click here to type Floor Assignment Rep. Hawken

If the vote is on an amendment, briefly indicate intent:

Date: 1/31/01
Roll Call Vote #: 2

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. HB 1466

House House Education Committee

☐ Subcommittee on _____
or
☐ Conference Committee

Legislative Council Amendment Number 10318.0101

Action Taken Do Pass As Amended

Motion Made By Rep. Meier Seconded By Rep. Thoreson

Representatives	Yes	No	Representatives	Yes	No
Chairman-RaeAnn G. Kelsch		✓	Rep. Howard Grumbo	✓	
V. Chairman-Thomas T. Brusegaard		✓	Rep. Lyle Hanson	✓	
Rep. Larry Bellow		✓	Rep. Bob Hunsakor	✓	
Rep. C.B. Haas	✓		Rep. Phillip Mueller	✓	
Rep. Kathy Hawken	✓		Rep. Dorvan Solberg		
Rep. Dennis E. Johnson		✓			
Rep. Lisa Meier	✓				
Rep. Jon O. Nelson		✓			
Rep. Darrell D. Nottestad	✓				
Rep. Laurel Thoreson	✓				

Total (Yes) 9 Click here to type Yes Vote No 5 Click here to type No Vote

Absent 1

Floor Assignment Click here to type Floor Assignment Rep. Hawken

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1466: Education Committee (Rep. R. Kelsch, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (9 YEAS, 5 NAYS, 1 ABSENT AND NOT VOTING). HB 1466 was placed on the Sixth order on the calendar.

Page 1, line 1, replace "sections" with "section" and remove "and 57-15-17"

Page 1, line 7, remove the overstrike over "~~4~~", remove the overstrike over "~~shall~~", and remove "~~may by unanimous vote~~"

Page 1, line 9, remove the overstrike over "~~when~~"

Page 1, line 10, remove the overstrike over "~~authorized to do so by~~", after "percent" insert "a majority", and remove the overstrike over "~~of the qualified electors voting upon the~~"

Page 1, line 11, remove the overstrike over "~~question at a regular or special election in any school district~~"

Page 2, remove the overstrike over lines 21 through 27

Page 2, line 28, remove the overstrike over "~~that upon a favorable vote of~~", after "percent" insert "a majority", and remove the overstrike over "~~of the qualified electors residing in any~~"

Page 2, remove the overstrike over lines 29 and 30

Page 2, line 31, remove the overstrike over "~~obligations incurred~~."

Page 3, remove lines 3 through 30

Page 4, remove lines 1 through 23

Renumber accordingly

2001 TESTIMONY

HB 1466

Bailes

HOUSE BILL 1466
Testimony for the House Education Committee
January 30, 2001

Madame Chairman Kelsch and members of the House Education Committee, my name is Nancy Johnson. I am a representative from District #37, Dickinson. House Bill 1466 allows school boards, by unanimous vote, the authority to raise 20 mills for a school building fund levy.

In the bill text, page 1, line 7, establishes the unanimous vote requirement. Page 1 (lines 9 through 11), page 2 (lines 21 through 31) and page 3 (lines 24 and 25) all remove references to the 60% majority vote now required.

I served on the Dickinson Public School Board from 1984 to 1999 and on the North Dakota School Boards Association from 1987 to 1997. I tell you that to let you know I've worked with school budgets and know the struggles that large and small school districts across North Dakota are having when they try to provide maintenance and needed repair to school buildings.

Citizens of each school district must provide the capital to construct school facilities. Our state does not contribute directly to capital projects. It allows local political subdivisions (schools) to bond for the construction of school facilities, but it is local property tax dollars that cover the costs of that construction.

The concern this bill addresses is that even though the state does not provide the funds to construct school facilities, it puts restrictions on the local school board's capacity to provide for the maintenance and repair of those buildings. It restricts boards who are elected to oversee and provide for the educational opportunities and facilities of their district. The boards who are charged with keeping the local investment in good repair have their hands tied in their ability to raise funds to do just that.

With this restriction we save tax dollars on the short term, but run the risk of losing a larger investment in the long term. We save a few dollars now, but in the end may have it cost a great deal more to fix larger problems.

We all know that most schools are struggling financially. General funds barely stretch to cover salaries and educational needs. Buildings and their maintenance (and busses too) get deferred. We need a catch-up time soon.

The legislature espouses the philosophy of local control, but then doesn't let local elected officials decide. As a previous school board member, we have a sense of the public's wishes, just as legislators do with their constituents. If a community feels that a board has overstepped its boundaries or is out-of-touch, the community has recourse. There is the recall process and at normal election times an individual may not be reelected. The pressure of public opinion does come into play.

I have confidence that school board members have a sense of the public sentiment and that sentiment does influence their decisions. This legislation encourages school board members to become leaders. They'd need to share information with their communities on why they would use a portion or all of the mill levy. They would need to educate their community. I would foresee that some boards would not use it at all because they sense their community wouldn't want it. Some may use only a portion of it for a specific project. I trust that local school board and that community to make the determination and to live with the consequences.

Madame Chairman, there are others here who wish to testify. I would try to answer any questions the committee may have. Thank you.

Legislative Testimony
House Bill No. 1466
January 30, 2001

Madame Chairman and members of the Education Committee, my name is Richard Larson, Superintendent of Schools from Minot. I am in favor of House Bill No. 1466, because it would allow the Minot Public Schools to levy up to 20 mills for a building fund with a unanimous vote of the school board.

Our school district has twenty buildings that range in age from 1917 to 1972, when our newest building, the Minot High School Magic City Campus was completed. I have included Exhibit No. 1 that identifies, by project, in excess of 5 million dollars needed for construction, repairs, and maintenance of facilities.

As you might well imagine, it is impossible to complete the items on this list with funding currently available through existing local property tax levies and state foundation aid.

As our buildings have continued to age, maintenance costs have increased incrementally on an annual basis. These costs persist in eroding the financial resources available for improving teacher salaries, paying for ever expanding special education programs and services, and providing current technology for students and staff. If this bill became law, our school board could potentially levy 20 mills, resulting annually in approximately 1.2 million to address our most pressing maintenance and repair needs.

In 1994, our School District electors failed to approve 10 mills presently allowed by Century Code, 57-16-16 for repair and maintenance of buildings. The present law requires a sixty percent approval. We were only able to achieve fifty-three percent. We did not ask for the 20 mill maximum since we did not feel that it was achievable; however, that was the level that was needed.

The 10 mills previously requested would generate approximately \$640,000 for the Minot Public Schools. Ten mills, while certainly helpful, is not adequate for us to effectively address our repair and maintenance needs. These needs do not remain static while we play "catch up" but continue to grow and accelerate at an increasing rate.

This bill would allow us to levy the maximum 20 mills until we were able to address our needs, probably a period of five years. After that time, the School Board could decide to reduce the levy to the level needed to address annual maintenance and repair needs.

I would suggest to the Committee that the financial resources that would become available should not be viewed as a cost to local property taxpayers, but rather an investment in the future of our young people. The cost associated with continued requirements to repair roofs that should be replaced and purchase energy that is lost due to inefficient building operations, could become savings to enhance educational programs and services.

In conclusion, the Board of Education of the Minot Public Schools urges you to support House Bill No. 1466. If it becomes law, it will provide the needed financial resources for us to become better stewards of the real property for which we are responsible. State and local tax dollars will be better invested, and children will realize the benefits of the savings.

I would be happy to respond to any questions that you might have.

Richard Larson, Superintendent
Minot Public Schools
215 2nd St. SE
Minot, ND 58701

Facilities Maintenance System

	Administration	Adult Lmg Ctr	Bel Air	Bus Shop	Central Campus	Dakota	Edison	Erik Ramstad	Food Warehouse
Asbestos	3-yr reinspct	3-yr reinspct	3-yr reinspct	3-yr reinspct	3-yr reinspct	3-yr reinspct	3-yr reinspct	3-yr reinspct	3-yr reinspct
Asphalt									
\$43,200.00							Running track	East parking lot	
Cabinetwork					Rm #115-#117				
\$16,000.00					\$16,000.00				
Carpeting		2 classrooms			3 classrooms	2 classrooms	2 classrooms	3 classrooms	
\$40,000.00		\$2,000.00			\$3,000.00	\$2,000.00	\$2,000.00	\$3,000.00	
Concrete					Tuckpoint stone & brick				
\$168,500.00					\$165,500.00				
Doors/Entrance	Repair front sign								
\$3,000.00	\$2,000.00								
Electrical Service					Sound system				
\$2,800.00					\$2,800.00				
Equipment								Pole lights	
\$4,000.00								\$4,000.00	
Floor Tile									
\$0.00									
HVAC								Cabinet heaters	
\$139,500.00								\$71,000.00	
Lighting Retrofits		JCI Phase III			JCI Phase III			JCI Phase III	
\$46,800.00		?			?			?	
Masonry					Tuckpoint smokestack				
\$294,100.00					\$21,000.00				
Mechanical	Temland								
\$195,000.00	\$65,000.00								
Painting		2 classrooms			3 classrooms	2 classrooms	2 classrooms	3 classrooms	
\$16,500.00		\$600.00			\$900.00	\$600.00	\$600.00	\$900.00	
Playground Equip							Furnish & Install		
\$27,000.00							\$7,000.00		
Plumbing							Water main		
\$20,000.00							\$20,000.00		
Renovation	3 restrooms						Warning house	Running track	Mayflower
\$290,725.00	\$3,000.00						\$10,000.00	\$5,725.00	\$60,000.00
Roofing	<1998>	10,622 Sq. Ft.	<1989>	<1994>	65,912 Sq. Ft.	<1997>	40,680 Sq. Ft.	80,000 Sq. Ft.	<2000>
\$3,149,526.00		\$54,000.00			\$334,998.00		\$206,800.00	\$407,300.00	
Specialties					Basket brakes	Multipurpose mm.		Basket brakes	
\$730,100.00					\$9,000.00	\$320,000.00		\$900.00	
Susp. Ceilings									
\$0.00									
Windows:								Commons Phse VI	
\$128,000.00								\$20,000.00	
Grand									
\$5,300.00	\$70,000.00	\$54,000.00	\$2,600.00	\$0.00	\$553,198.00	\$322,600.00	\$238,600.00	\$555,825.00	\$60,000.00

Exhibit #1 (page 2 of 3)

Facilities Maintenance System

	Headstart	Jefferson	Jim Hill	Lincoln	Longfellow	Magic City	McKinley	Memorial	North Hill
Asbestos	3-yr reinspect	3-yr reinspect	3-yr reinspect	3-yr reinspect	3-yr reinspect	Boiler	3-yr reinspect	3-yr reinspect	3-yr reinspect
\$5,000.00						\$5000.00			
Asphalt								Recycled asphalt	
\$43,200.00								\$1,000.00	
Cabinetwork									
\$16,000.00									
Carpeting	2 classrooms	3 classrooms	2 classrooms	2 classrooms	3 classrooms	2 classrooms	2 classrooms	2 classrooms	
\$40,000.00	\$2,000.00	\$3,000.00	\$2,000.00	\$2,000.00	\$3,000.00	\$2,000.00	\$2,000.00	\$2,000.00	
Concrete					Duane Carlson				
\$166,500.00					\$2,000.00				
Doors/Entrances									
\$3,000.00									
Electrical Service									
\$2,800.00									
Equipment									
\$4,000.00									
Floor Tile									
\$0.00									
HVAC					Cabinet heaters install 2 A/C units				
\$149,500.00			\$71,000.00	\$7,500.00					
Lighting Retrofits						Install marquee			JCI Phase III
\$46,800.00						\$45,000.00			?
Masonry					Tuckpoint				
\$294,100.00					\$45,700.00				
Mechanical									
\$195,000.00									
Painting	2 classrooms	3 classrooms	2 classrooms	2 classrooms	3 classrooms	2 classrooms	2 classrooms	2 classrooms	
\$16,500.00	\$600.00	\$900.00	\$600.00	\$600.00	\$900.00	\$600.00	\$600.00	\$600.00	
Playground Equip	Furnish & Install		Furnish & Install						
\$27,000.00	\$2,000.00		\$5,000.00						\$600.00
Plumbing									
\$20,000.00									
Renovation									
\$290,725.00									
Roofing	<1998>	17,290 Sq. Ft.	90,000 Sq. Ft.	<2000>	Replace shingles	164,349 Sq. Ft.	18,255 Sq. Ft.	<1998>	FEMA work
\$3,149,526.00		\$87,900.00	\$457,500.00		\$40,000.00	\$835,304.00	\$92,800.00		\$35,000.00
Specialties			Basket brakes			Duane Carlson partitions			39,990 Sq. Ft.
\$730,100.00			\$1,800.00			\$3,400.00		Storage building	\$203,300.00
Susp. Ceilings									
\$0.00									
Windows:			Cafeteria Panels						
\$128,000.00			\$78,000.00						
Grand Total									
\$5,320,000.00	\$0.00	\$92,500.00	\$612,200.00	\$15,100.00	\$88,300.00	\$1,069,604.00	\$95,400.00	\$78,600.00	\$240,900.00

