

Comments for Education Funding and Taxation Committee

Chairman Representative RaeAnn Kelsch, For the record, my name is Brandt Dick, Superintendent of Hazelton-Moffit-Braddock and Underwood School Districts.

This past session I followed with great interest the property tax relief bill as it impacts the Hazelton-Moffit-Braddock school district greatly. Our 2008 mill levy was 160.41 mills and with the present property tax law, this will be our baseline levy forever. This is the first issue I hope this committee is successful in finding a way to allow districts that were below 175 mills a way to get those mills back over time if their situations warrant an increase in mills. I feel it is inequitable that HMB's local effort is higher than other districts simply because we have a building fund. In hindsight, I would have told the school board at HMB to eliminate the building fund, levy more mills in the general fund, and the state would have picked up the entire tab. Some districts did find ways to assure their 2008 mill levy was 175 mills or greater. The present law forces HMB to run the school district at a maximum of 170.41 mills without going to the vote of the people, while historically, districts have been able to levy up to 185 mills. This inequity has been discussed and several school districts are watching with interest if this inequity will be addressed, and what can be done if this inequity is not addressed by this committee or the next legislative session.

Of interest at this past session was testimony stating that some of the intent of providing property tax relief to school districts was that the state of North Dakota would be close to the goal of funding K-12 education at 70% funding. The two districts I represent were at 59% and 56% state funding this past year and both schools are budgeted to have that amount decrease to 57% and 53% this coming year. Both schools I represent have our state aid reduced greatly by the high taxable valuation per student that is in the education funding formula.

Also of interest were statements by taxation committee members that property tax was never meant to be a funding bill for schools. As soon as school districts received money from the state for property tax relief, this did become a funding bill. This committee is set up in such a way to effectively deal with the challenges that the state has in finding a way to provide equity to school districts when combining the education funding formula and property tax relief that provide most of the state funding to school districts.

Finally, this past session, I heard many comments from Legislators that the property tax relief is not sustainable over time. This will be a challenge and my hope that the inequity issues that the present property tax law raise can be addressed while there is funding so when the state has to lower the amount of money available for property tax relief that it will be done in a more equitable way than the present law allows.