

Testimony—10-18-2012

Chairperson Kelsch and members of the committee. My name is Brandt Dick and I serve as Superintendent of both Hazelton-Moffit-Braddock School District and Underwood School District. I would like to speak to an issue that both these districts I serve have in common, the formula which deducts foundation aid due to both schools having a high taxable valuation per student. This is true for these two districts as well as 76 other School Districts in the State.

At Underwood this meant that our local taxpayers were asked to make up 16 mills in 2011-12, and almost 10 mills this year. In 10-11 the state portion of our revenue was 55.5%, in 11-12 it was 52.4% and this year we are budgeting that the state portion of our revenue will be 55.3%.

At HMB the numbers look this way. Our taxpayers were asked to make up 18 mills for the 11-12 school year, and 22 mills this year. This year our budget is anticipating a \$98,000 deficit. In 10-11 the state portion of our revenue was 59%, in 11-12 the state portion of our revenue was 57%, and this year we are budgeting that the state portion of our revenue will be 51%. So when I hear that the state is funding K-12 education at a 70% level, that is not a true statement for all districts across the state.

At HMB when our board had our public hearing to look at how much was needed to adequately fund our school district. The HMB school board ended up increasing the amount of taxes for our local patrons by 14%, due to the fact that our foundation aid is being deducted \$133,643 from what the formula would pay us without the deduction, as well as we are paying tuition for students attending other districts whose residence is in our district. It was not easy to ask for that large of an increase and having to field the question why is the state picking up a lower % of the tab of education when they have a 1.6+ billion dollar surplus? The numbers look this way as we have seen a decrease of students from 144 during the 2008-09 school year to a present student enrollment of 93. HMB's district covers 539 square miles, so it is a large land size district, with low student numbers. That is my concern with having everything in foundation aid formula that bases it amount on student enrollment. There are still districts that are plateauing or decreasing in students and struggling with the inefficiencies there are in running a K-12 school with low numbers. I hope this legislative session looks at all these issues in equity when they look at providing additional property tax relief to property owners of North Dakota.