



**NDSBA**  
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**SB 2165**  
**House Education Committee**  
**March 9, 2021**  
**Testimony of Alexis Baxley**

Good afternoon Chairman Owens and members of the House Education Committee. My name is Alexis Baxley, and I serve as the executive director of the North Dakota School Boards Association. NDSBA represents the elected school boards of all 175 public school districts and several special education units in North Dakota.

I appear today in support of SB 2165. The North Dakota School Boards Association understands why the carryover limitations were put in place. However, over the years, a handful of issues have arisen.

Since 1950, Congress has provided financial assistance to some local school districts through the Impact Aid Program. Impact Aid was designed to assist local school districts that have lost property tax revenue due to the presence of tax-exempt Federal property, or that have experienced increased expenditures due to the enrollment of federally connected children. Impact Aid provides assistance to local school districts with concentrations of children residing on Indian lands, military bases, low-rent housing properties, or other Federal properties and, to a lesser extent, concentrations of children who have parents in the uniformed services or employed on eligible Federal properties who do not live on Federal property.

School districts use Impact Aid for a wide variety of expenses, including the salaries of teachers and teacher aides; purchasing textbooks, computers, and other equipment; after-school programs and remedial tutoring; advanced placement classes; and special enrichment programs.

It is my understanding that the carryover limitations were put in place by this body to ensure a local district did not continue to levy tax on its citizens or accept state funds while sitting on larger than necessary reserves. Because Impact Aid is provided by the Federal government to districts whose ability to levy local taxes has been harmed by the federal government or who face increased costs due to federally connected children, NDSBA believes it is inappropriate to count these dollars towards the carryover limitation. Removing these funds from that calculation will help these districts to be better able to plan for the future, maintain a reasonable reserve, and be better stewards of all taxpayer dollars.

For these reasons, NDSBA supports SB 2165 and the proposed amendments. I will stand for any questions.