

1 HB 1185
2 Testimony in Support

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4 Chairman Heinert and members of the House Education Committee. For the record my name is
5 Dr. Michael McNeff – I serve as the superintendent of schools in Rugby, ND. I come to you today
6 to provide some feedback on HB 1185, a bill related to construction inflation for voter-approved
7 school construction projects.

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9 First, I would like to provide some background as to why I support HB 1185. The community of
10 Rugby approved a \$7,870,000 referendum to improve Ely Elementary in Rugby, ND in December
11 2021. Ely Elementary was built in 1965 and is an aging facility that currently serves approximately
12 300 students and 50 faculty and support staff. The project includes updates to our safety and
13 security, classroom and learning environments, building systems, and support spaces. The project
14 was widely supported within our community and received a 79% approval vote on December 1,
15 2021. The project cost has ballooned over the past twelve months since our first construction
16 estimate back in September of 2021 due to inflation. Last September, the project was estimated to
17 cost approximately \$9 million. After our final bid opening on December 20, 2022, the project will
18 now cost \$11.3 million. This project means a big deal to our citizens in Rugby, and it addresses
19 many concerns that will improve the learning environment for students.

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21 The school district has allocated \$9,274,000 in funding to the building project. This number
22 includes \$1,300,000 of ESSER funding (one-time federal funding), \$7,870,000 of referendum
23 funding (passed on 12/1/21), and we recently received a food service grant of \$104,000 to pay for
24 part of the kitchen equipment. This represents a funding gap of approximately \$2 million. The
25 Rugby Public School Board began researching solutions to overcome the funding gap. We
26 promised the Rugby community during the referendum campaign to keep the mill levy the same
27 (we were able to do this due to some retired sinking and interest debt) and the Board is committed
28 to that.

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30 The Rugby Public School Foundation was established on September 20, 2022, by the Rugby
31 Citizens Committee to begin the process of fundraising \$1.4 million to keep the Ely Elementary

