

House Education Committee

HB1238

January 17, 2023 – 11:00AM

Chairman Heinert and members of the Education Committee:

I am Cindy Schreiber-Beck, District 25 Representative. The bill before you will accomplish two items:

First:

Section 1 is an amendment to section 15.1-27-35.3 of the North Dakota Century Code and extends the moratorium for school districts to comply with the ending fund balance requirement to July 1, 2027.

To explain: In the 2015 session the requirement of limiting the ending fund balance to 35% of the actual expenditures was put in place with the addition of the “plus” \$50,000 added later. Additionally, in 1b., the “plus” is \$100,000 if the school district is in a cooperative agreement with another school district to share academic resources and the school districts are considering reorganization. Any amount beyond the allowed ending fund balance is subtracted from the payment due to the district.

Second:

Section 2 is a legislative management study that includes the implications of parameters for school districts ending fund balance as well as an evaluation of possible trends between state investment, district expenditures, student performance, and the increase in behavioral and mental health issues of students. A report to the 69<sup>th</sup> legislative assembly, which includes findings and recommendations, and legislation to implement the recommendations, is required

Thank you for your favorable consideration of this proposed legislation.