

North Dakota Senate

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COMMITTEES:
Appropriations

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Introduction to SB 2284 Senator Don Schaible, District 31

Good afternoon, Chairman Bekkedahl and Senate Appropriations Committee. For the record, my name is Senator Don Schaible, here to introduce SB 2284 which will be the K-12 funding bill. Sometimes there is questions why this bill is not included in the K-12 budget bill, but I believe that Education Policy should also have their fingerprints on this bill also, for it's very hard to separate policy from appropriations and I believe policy should be involved with the processes. I will walk through each section, and if you would like, I can take questions after each section.

Sec. 1 suggest that members of the State Board of Public Education selected by legislative districts rather than counties would provide better representation with more even population and with counties, it has been difficult to find people that wanted to serve on the board. The clarification that is offer in subsection 3. Pg 2 is what has been in practice for years until lately so it may be good to clarify the intentions of how members are appointed. Line 17-19 also indicates that two members must be working administrators. These clarification came for issues that have recently took place because of issues for CTE centers and projects with CARES and ESSER moneys that were made available during the last session and special session.

Sec. 2 Adding language "in the school district" is clarify the probationary teacher in the same district. This question was put before the supreme court during the last interim and they ruled that legislative intent was that the 2 years were in the same school district, this just clarifies century code to match intent and court ruling.

Sec. 3 came at the request of the North Dakota School Board Association to make sure that the definition of Weapon is consistent though out Century Code.

Sec. 4 0. On page 5 line 26 allows for total on time funding by accelerating the on time weighting factor to 1.0 in 2023-24; this was scheduled to be phased in by 2025-26 by raising the factor by a .1 The cost of this is \$5.3 million.

Section 6 deals with a bill we heard earlier for school that are closer than 19 miles. This language is no longer needed.

Section 7 page 9 is where we suggest a 3 x 3 increase for the next biennium with the per pupil payment to be \$10544 for 2023-24 and \$10860 for 2024-25

The strikes out language Page 10 Starting line 23 through page 12 line 7 removes the requirement on transition maximum schools and moves them all on the formula at a cost of \$14.8 million.

On page 13 starting on line 6 deals with in-lieu of revenue. This change request that the in-lieu revenue would be averaged over a 5 year period to take large swings in how this money is allocated.

Starting on page 14 is a large amount of duplicated language which is necessary because of a effective date of after June 30, 2025. This duplicated language continues to page 20 line 24

Sec.8 suggests to our current school construction loan program. Under our current program, school can ask for a \$10m loan at 2% interest for school construction for 20 years. This program was started in 2015 with the intent of creating a revolving low interest loan fund that would become self-sustaining with out any additional cost to the state. This School construction loan fund has see a few changes, but has been very successful to our schools even during a period of low interest rates. The improvements in this bill intend to correct a couple of issue that still remain. One of the biggest complaints is that \$10 million was not much help to our larger school that projects are costing much higher levels than \$10 million. So the amendment on page 21 creates a two tiered system for smaller schools projects costing less than \$75 million could apply for a \$10 million loan and projects over \$75 million, schools could apply for a \$50 million low interest loan.

Sec 9 suggests a study of school transportation services funding

Sec 10 requests \$1,000,000,000 of general funding and in sec 11 \$1,000,000,000 of turn back dollars implementing The Science of Reading we implemented from last session.

Sec. 12 provides an infusion of \$75 million to the construction loan program which provides a good start to creating a two tiered program that should provide property tax relief to school construction and moves us along to getting a self-sustaining revolving loan fund. .