



1 SB 2144

2 Testimony in Opposition

3 Chairman Kannianen and members of Senate Finance and Taxation Committee for the record my
4 name is Dr. Aimee Copas – I serve as the executive director for the North Dakota Council of
5 Educational Leaders (NDCEL) representing our school administrators, directors, and school
6 leaders. We come to you today to provide feedback regarding the challenges that this bill brings
7 to school districts and to the communities that they serve. First to consider, we are the only
8 political subdivision that has taxation caps and limits in our taxation authority AND we are the
9 only political subdivision that requires a very difficult 60% vote of the people to be able to bond
10 for a building. Each other political subdivision must only achieve 50%+1. This was a protection
11 put in place to protect taxpayer, but please understand, it is very, very difficult to achieve and in
12 some communities bond referendums to repair or replace very old buildings fail again and again
13 due to that 60% threshold.

14 There are two primary concerns: one is that it incentivizes bad behavior or erodes trust and it asks
15 for projections that are unreasonable to be assumed to be accurate. First, the way the bill is
16 currently structured either requires districts to include money in a referendum vote for deferred
17 maintenance or makes district look like a poor planner if they do not include funding in the
18 proposal. When districts are able to levy up to 20 mills for their voter approved building fund,
19 there is no reason they should include dollars in a referendum vote that could take 15 years for
20 those approved dollars to be spent. Adding dollars to a bond issuance for deferred maintenance
21 will both force taxpayers to pay interest on money that could be raised in interest-free ways; it also
22 reduces the purchasing power of taxpayers as inflation reduces purchasing power over time. For
23 districts that that elect to use other funding sources for deferred maintenance, the inclusion of a
24 zero for planned deferred maintenance on the official ballot creates the perception that the district
25 is not responsibly planning and may erode trust in the community when in reality district leadership
26 is saving taxpayers money by using other funding sources that do not require the paying of interest.

*NDCEL is the strongest unifying voice representing and supporting administrators and educational leaders in pursuit of quality education
for all students in North Dakota.*

Executive Director: Aimee Copas-----Assistant Director: Russ Ziegler



1 Second, this bill takes a very difficult task and makes even more difficult. To attempt to project
2 maintenance on a building that may very well be 10-15 years down the road is not only difficult,
3 but also not likely accurate at all. In our unstable economy we can't even predict those costs
4 accurately months down the road much less years. It also falsely inflates the cost of the build
5 making passage of the referendum far more difficult and could lead voters to expect more when
6 they see the price tag of the referendum.

7 In North Dakota, most of our communities have building funds that are authorized by the
8 legislature for just this purpose. There are, however some districts who do not have voter approved
9 building funds. There may be another option to address the issue that the bill sponsors are trying
10 to address. That would be that if there is not a voter approved building fund, a part of the bond
11 referendum vote would also be an inclusion of a voter approved building fund to ensure the
12 management of future maintenance and repairs. Legislators could also explore additional
13 requirements in the school building construction application that DPI must approve before a vote
14 happens to ensure there is a proven and planned method for addressing deferred maintenance.