



North Dakota Senate

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COMMITTEES:
Appropriations

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Chairman Longmuir and the House Political Subdivision Committee, my name is Senator Don Schaible, District 31 and I am here to introduce SB 2158.

SB 2158 started last session with the intent of helping a school district and a community with the difficulty of dissolving a school district. As in re-organization or dissolution, the process and development of a plan is a very complicated and emotional process for a district. The idea of losing a school in a community may be the first step of the death of that town. This is one instance where a local elected body, in this case a school board, really earns their pay. A school building, serving part of 3 different counties that had elected representation on the school board that decide to dissolve and then the difficult processes of creating a dissolution plan. That plan is way more than to say, "let close and move on". Consideration for students, the community and what to do with the facilities has become the focus of that plan. This plan was most likely the hardest decision these board members have ever had to make. The plan is also an attempt to heal the community after such a drastic change.

The plan this school board came up with was to give the school building to the city where it stands and to also give up to \$500,000 for repurposing and deferred maintenance. That was currently not allowed under current law. What normally happens to carry over money, that it would be returned to the property taxpayers after a period of time to make sure all possible unforeseen expenses are accounted for. Last session HB 1337 was introduced to make the transfer of money possible with the intent that it was part of the dissolution plan. HB 1337 did pass both chambers with a vote of 86-7 in the house and 49 to 1 in the senate. Being part of that bill, I remembered the conversation that a locally elected school board should have the flexibility to make that decision because they are the best people to understand their community and in the best position to determine how to heal this district.

In this case many public meetings were held with input taken from the community. In fact, in the last meeting the school board had canvassed the crowd that was there and with overwhelming support from, the patron for the dissolution plan that included giving the building and the money to the town. The \$500,000 that in questions is less than ½ of the amount that was remaining the balance with the balance being returned to property taxpayers. The vote of the school board was unanimously approved.

The problem came when the school board submitted their plan to the state board.

There was a section of law and tax code that conflicted with each other and gave the state board no options. It was suggested to the school board from the state board to withdraw their plan, wait for this current session and see if a fix could be suggested in law.

That brings us to today bill. SB 2158 attempts to fix that conflict and allow this school district to finish this dissolution plan. Passing SB 2158 would allow the elected officials to finish their job as school board members. The school building now is being used as a community center and is a well-used facility utilized by a fair number of surrounding communities. If the wishes of the school board by the direction of the dissolution plan would not be able to be implemented, the future of the building would be in jeopardy. I understand that property tax is a big issue, but I believe if local elected officials follow a good process to weigh the wish of their community, that they should be given the authority to do so. This bill does not suggest a fix for one school district or community, and I am not asking for us to set policy on how a school dissolution be implemented but instead to provide another tool for a locally elected political subdivision to make the best decision that they were elected to do. This bill also is asking for an emergency clause for a school districts fiscal year begins on July 1st and this community would like to get the dissolution plan completed before the next school year. With that Chairman Longmuir and committee, I would try to answer your questions.