

**2025 SENATE EDUCATION**

**SB 2149**

# 2025 SENATE STANDING COMMITTEE MINUTES

**Education Committee**  
Room JW216, State Capitol

SB 2149  
1/22/2025

Relating to the school construction assistance revolving loan fund.
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2:01 p.m. Chairman Beard called the meeting to order.

Members Present: Chairman Beard; Vice-Chairman Lemm; Senators: Axtman, Boschee, Gerhardt, and Wobbema.

**Discussion Topics:**

- School projects loan
- Air Base schools

2:02 p.m. Senator Schaible testified in favor and submitted testimony #30679.

2:06 p.m. Kylee Merkel, Business Banker Bank of North Dakota, testified neutral.

2:09 p.m. Chairman Beard closed the hearing.

2:10 p.m. Committee discussion.

2:11 p.m. Kylee Merkel, Business Banker Bank of North Dakota, answered questions.

2:13 p.m. Kelvin Hullet, Chief Business Development Office Bank of North Dakota, testified in favor.

**Additional written testimony:**

Brandon Baumbach, Business Manager Grand Forks School Districts, submitted testimony #30722 in favor.

Terry Brenner, Superintendent Grand Forks School Districts, submitted testimony #30723 in favor.

2:17 p.m. Chairman Beard adjourned the meeting.

*Susan Helbling, Committee Clerk*



# North Dakota Senate

STATE CAPITOL  
600 EAST BOULEVARD  
BISMARCK, ND 58505-0360



## Senator Donald Schaible

District 31  
9115 Highway 21  
Mott, ND 58646-9200  
[dgschaible@ndlegis.gov](mailto:dgschaible@ndlegis.gov)

## COMMITTEES:

Appropriations

1/22/2025

Good afternoon, Chairman Beard and Education Committee

For the record Senator Don Schaible, District 31, here to introduce SB 2149. This bill is to create an opportunity for schools on our Air Force Bases to take advantage of low interest school construction loans just like the rest of our school districts. There are differences in our current law that prevents Air Base school construction from participating in our current low interest loan fund for most of the money for construction does not come from property tax and must be voted on by the residence of the district. My understanding of school building on bases funded mostly by federal dollars is requested and approved by a priority list by the Air Force. It was not many years ago, the Air Force did a needs study of all the schools on Air Force Bases and created a priority list for school building needs. If selected for the school building is approved at an 80% Federal and a 20% local match, our state's AFBs would need to come up with the 20% match. Since our AFB's don't have property tax to leverage, the only money they would be available would be the in-lieu of money that we freed up a few sessions ago which would not be enough to cover the 20% requirement.

Both of our bases are on the higher end of the list, and it is very likely that Grand Forks AFB may be selected very soon. The problem that this creates is that there is a local contribution of 20% that would put a financial burden on the Air Force base school. The intent of this bill is to make a 2% loan available to our Air Force Bases when they are selected from the priority list. That way, when approved, they could proceed with construction and spread the local portion of that cost over a period of 20 years just like the rest of our schools.

Now let's walk through the bill. The added language in Sec 1 Sub Sec 3-page 1 line 16 exempts Air Force Bases from this language and adds language in Sub Sec 4 line 8-17 on page 2, the working conditions of this loan. The language in Sub Sec 6 creates the timeline for the loan. Sub Sec 6 clarifies that the Superintendent of Public Instruction reviews the loan applications. Sub Sec 7, Letter C set the loan amount of up to \$20 million. The deleted language on page 3 lines 27 through page 4 lines 8 is the removal of language that is obsolete because of language changes of last session. The deleted language, pg 3 lines 27 through pg 4 line 8 is obsolete language that is no longer needed.

Chairman Beard and Committee thank you for your time and I would now try to answer questions if I can.



**Brandon Baumbach**  
Business Manager

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Direct Phone: 701.746.2205, Ext. 7126  
Fax: 701.772.7739  
bbaumbach020@mygfschools.org

January 22, 2025

Members of the Senate Appropriation Committee,

My name is Brandon Baumbach, and I am the Business Manager for Grand Forks Public School District #1 and Grand Forks Air Force Base School District #140.

**Grand Forks Public School District and Grand Forks Air Force Base Public School District  
SUPPORTS SB 2149.**

Grand Forks Public School District #1 has a unique relationship with the Grand Forks Air Force Base School District #140 through a Joint Powers Agreement to provide educational services to the students of the Grand Forks Air Force Base since the construction of the installation. Although the Grand Forks Public School District provides educational services, capital construction is the responsibility of the Grand Forks Air Force Base School District. The Grand Forks Air Force Base School District does not have the financial capacity to build without access to low-interest financing.

The Grand Forks Air Force Base School District was recently invited to participate in a cost-sharing arrangement with the Department of Defense to replace the Twining Elementary and Middle School building. Under this arrangement, the federal government will cover 80% of the project's cost. This tremendous opportunity makes it a reality to modernize our school for military families, but the affordability of the 20% match is still not a given without low-interest financing.

The school construction assistance revolving loan fund has been instrumental in maintaining and upgrading aging school infrastructure throughout the state. Its 2% interest rate ensures we maximize the value of construction projects.

SB 2149's proposed amendments to Section 15.1-36-08 of the North Dakota Century Code to enhance the school construction assistance revolving loan fund reaffirms this commitment and, for the first time, extends its benefits to schools on military installations—a crucial addition to this vital program.



Mark Sanford Education Center  
2400 47th Ave. S  
Grand Forks, ND 58201-3405



PO Box 6000  
Grand Forks, ND 58206-6000



[www.gfschools.org](http://www.gfschools.org)

Equal opportunity employer

Grand Forks School District prohibits discrimination and harassment based on race, color, religion, sex, sexual orientation, gender identity, gender expression, national origin, ancestry, disability, age, or other status protected by law. The District also provides equal access to the Boy Scouts and other designated youth groups, as required by federal law.

Members of the Senate Appropriation Committee  
January 22, 2025  
Page 2

As a community, we know the Grand Forks Air Base has a significant, positive impact on the Grand Forks community, and we must continue to support the military installation.

**I urge you to vote in favor of SB 2149.** This legislation represents a sound investment in our schools' future and students' success across North Dakota. Its impact will be immediate and long-lasting for districts throughout the state, including our military school districts.

Thank you for your service to the state of North Dakota and thoughtful deliberation on this critical issue.

Please contact me for further discussion on how this bill directly benefits the Grand Forks and Grand Forks Air Force Base public school districts and communities.

Sincerely,

GRAND FORKS PUBLIC SCHOOL DISTRICT AND GRAND FORKS AIR FORCE BASE PUBLIC SCHOOL DISTRICT

A handwritten signature in dark ink, appearing to read "Br Baumbach", written in a cursive, stylized font.

Brandon Baumbach  
Business Manager

cj



**Dr. Terry Brenner**  
Superintendent of Schools

Phone: 701.787.4880  
Fax: 701.772.7739  
tbrenner270@mygfschools.org

January 22, 2025

Members of the Senate Appropriation Committee,

My name is Terry Brenner, and I am the Superintendent of Grand Forks Public School District #1 and Grand Forks Air Force Base School District #140.

**Grand Forks Public School District and Grand Forks Air Force Base Public School District SUPPORTS SB 2149.**

Grand Forks Public School District #1 has a unique relationship with the Grand Forks Air Force Base School District #140 through a Joint Powers Agreement to provide educational services to the students of the Grand Forks Air Force Base since the construction of the installation. Although the Grand Forks Public School District provides educational services, capital construction is the responsibility of the Grand Forks Air Force Base School District. The Grand Forks Air Force Base School District does not have the financial capacity to build without access to low-interest financing.

Our students are a part of families who live, work, and learn in communities across the world. When they come to Grand Forks Air Force Base, they encounter a 1961 building with deferred maintenance challenges (a story known to schools across our state). While other schools in the state have access to the school construction assistance revolving loan fund, which provides low-interest financing, the Grand Forks Air Force Base school does not. SB 2149 will extend the same low-financing support to our military families to modernize their schools.

This request is timely as the Grand Forks Air Force Base School District was recently invited to participate in a cost-sharing arrangement with the Department of Defense to replace the Twining Elementary and Middle School building. Under this arrangement, the federal government will cover 80% of the project's cost. The Grand Forks Air Force Base School District must consider financing the 20% match, and as a small school district, having access to the low-interest revolving loan fund will ensure a viable 30-year option to accommodate current and future missions.



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Members of the Senate Appropriation Committee

January 22, 2025

Page 2

As the Grand Forks Air Force Base School District is poised for this opportunity, Minot Air Force Base School District is also approaching eligibility. While Grand Forks AFB is #70 on this list, Minot is #90 and may receive the same invite to the program in a few years. Including schools on military installations within this federal program ensures equity and support for all North Dakota students, including those in military families.

The Grand Forks Air Force Base is poised for significant growth, with new missions and opportunities on the horizon. A critical component of supporting this growth is ensuring robust educational facilities for the families stationed there. The replacement of the Twining Elementary and Middle School building will enhance the educational experience for these families and reflect North Dakota's commitment to serving military communities.

**I urge you to vote in favor of SB 2149.** This legislation represents a sound investment in our military base and the families who serve there.

Thank you for your service to the state of North Dakota and thoughtful deliberation on this critical issue.

Please contact me for further discussion on how this bill directly benefits the Grand Forks and Grand Forks Air Force Base public school districts and communities.

Sincerely,

GRAND FORKS PUBLIC SCHOOL DISTRICT AND GRAND FORKS AIR FORCE BASE PUBLIC SCHOOL DISTRICT

A handwritten signature in cursive script that reads "Terry Brenner".

Terry Brenner  
Superintendent of Schools

cj

# 2025 SENATE STANDING COMMITTEE MINUTES

## Education Committee Room JW216, State Capitol

SB 2149  
1/29/2025

Relating to the school construction assistance revolving loan fund.
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2:30 p.m. Chairman Beard called the hearing to order.

Members Present: Chairman Beard; Vice-Chairman Lemm; Senators: Axtman, Boschee, Gerhardt, and Wobbema.

### Discussion Topics:

- Disbursement of funds
- Emergency clause

2:31 p.m. Adam Tescher, School Finance Officer Department of Public Instruction, testified.

2:37 p.m. Senator Axtman moved to Adopt Amendment "Emergency Clause."

2:37 p.m. Senator Wobbema seconded the motion.

Senators	Vote
Senator Todd Beard	Y
Senator Randy D. Lemm	Y
Senator Michelle Axtman	Y
Senator Josh Boschee	Y
Senator Justin Gerhardt	Y
Senator Mike Wobbema	Y

Motion Passed 6-0-0

2:39 p.m. Senator Wobbema moved a Do Pass as amended

2:40 p.m. Senator Gerhardt seconded the motion

Senators	Vote
Senator Todd Beard	Y
Senator Randy D. Lemm	Y
Senator Michelle Axtman	Y
Senator Josh Boschee	Y
Senator Justin Gerhardt	Y
Senator Mike Wobbema	Y

Motion Passed 6-0-0

Senator Wobbema will carry the bill.

2:41 p.m. Chairman Beard closed the hearing.



Senate Education Committee

SB 2149

1/29/2025

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*Susan Helbling, Committee Clerk*

January 29, 2025

Sixty-ninth  
Legislative Assembly  
of North Dakota

**PROPOSED AMENDMENTS TO**

**SENATE BILL NO. 2149**

Introduced by

Senators Schaible, Cory, Meyer

Representatives Louser, Sanford

JB 1,29,25  
1084

- 1 A BILL for an Act to amend and reenact section 15.1-36-08 of the North Dakota Century Code,  
2 relating to the school construction assistance revolving loan fund; and to declare an emergency.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. AMENDMENT.** Section 15.1-36-08 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6 **15.1-36-08. School construction assistance revolving loan fund - Bank of North**  
7 **Dakota - School construction projects - Continuing appropriation.**

- 8 1. The school construction assistance revolving loan fund is a special revolving loan fund  
9 administered by the Bank of ~~North Dakota~~. The fund consists of all moneys  
10 appropriated or transferred to the fund by the legislative assembly, all interest or other  
11 earnings of the fund, and all repayments of loans made from the fund.
- 12 2. Moneys in the fund, interest upon the moneys in the fund, and payments to the fund of  
13 principal and interest are appropriated to the Bank of ~~North Dakota~~ on a continuing  
14 basis for the purpose of providing low-interest school construction loans and for paying  
15 administrative costs, in accordance with this section.
- 16 3. ~~To~~ For a school construction project not located on an air force base, to be eligible for a  
17 loan under this section, the board of a school district shall:
- 18 a. Propose a new construction or remodeling project with a cost of at least  
19 one million dollars and an expected utilization of at least thirty years;

July 2014

- 1           b. Obtain the approval of the superintendent of public instruction for the project
- 2           under section 15.1-36-01;
- 3           c. (1) Publish in the official newspaper of the district the information regarding the
- 4           proposed estimated additional millage and the dollar increase per
- 5           one thousand dollars of taxable valuation in accordance with section
- 6           21-03-13 along with the notice of the election in accordance with section
- 7           21-03-12 or along with the initial resolution in accordance with subsection 7
- 8           of section 21-03-07; and
- 9           (2) Post the information on the school district's website before the date of the
- 10          election or during the protest period in accordance with chapter 21-03;
- 11          d. Receive authorization for a bond issue in accordance with chapter 21-03; and
- 12          e. Submit a completed application to the Bank of North Dakota.
- 13          4. For a school construction project located on an air force base, to be eligible for a loan
- 14          under this section, the board of the school district shall:
- 15           a. Propose a new construction or remodeling project on an air force base which has
- 16           a cost of at least one million dollars and an expected utilization of at least thirty
- 17           years;
- 18           b. Obtain the approval of the superintendent of public instruction for the project
- 19           under section 15.1-36-01;
- 20           c. Obtain all necessary federal authorizations and funding commitments for the
- 21           project; and
- 22           d. Submit a completed application to the Bank.
- 23          5. The superintendent of public instruction shall designate, until June 30, 2027, or until a
- 24          loan is made as identified in this section, twenty million dollars of funds available for
- 25          loans in the school construction assistance revolving loan fund for a loan to provide
- 26          matching funds for the construction of facilities on an air force base.
- 27          6. The superintendent of public instruction shall review loan applications based on a
- 28          prioritization system that includes a review of all applications filed during the
- 29          twelve-month period preceding April first and gives consideration to:
- 30           a. Student occupancy and academic needs in the district;
- 31           b. The age of existing structures to be replaced or remodeled;

- 1 c. Building design proposals that are based on safety and vulnerability
- 2 assessments;
- 3 d. Community support;
- 4 e. Cost; and
- 5 f. Any other criteria established by the superintendent of public instruction, after
- 6 consultation with an interim committee appointed by the legislative management.
- 7 ~~5-7.~~ If the superintendent of public instruction approves the loan, the Bank of North Dakota
- 8 shall issue a loan from the school construction assistance revolving loan fund. For a
- 9 loan made under this section:
- 10 a. If the school construction project totals less than seventy-five million dollars, the
- 11 maximum loan amount for which a school district may qualify is fifteen million
- 12 dollars. However, if a school district's unobligated general fund balance on the
- 13 preceding June thirtieth exceeds the limitation under section 15.1-27-35.3, the
- 14 loan amount under this section may not exceed eighty percent of the project's
- 15 cost up to a maximum loan amount of twelve million dollars;
- 16 b. If the school construction project totals seventy-five million dollars or more, the
- 17 maximum loan amount for which a school district may qualify is thirty million
- 18 dollars. However, if a school district's unobligated general fund balance on the
- 19 preceding June thirtieth exceeds the limitation under section 15.1-27-35.3, the
- 20 loan amount under this section may not exceed eighty percent of the project's
- 21 cost up to a maximum loan amount of twenty-four million dollars;
- 22 c. If the school construction project is on an air force base, the maximum loan
- 23 amount for which the school district may qualify is the lesser of twenty percent of
- 24 the project cost or twenty million dollars.
- 25 d. The term of the loan is twenty years, unless the board of the school district
- 26 requests a shorter term in the written loan application; and
- 27 ~~d-e.~~ The interest rate of the loan may not exceed two percent per year.
- 28 ~~e-f.~~ A district with a school construction loan secured on the open bond market may
- 29 apply to refinance the loan when callable with the school construction assistance
- 30 revolving loan fund under this subsection.



JB 4/24

- 1 f. ~~A district that qualifies for a loan under subdivision a, which was approved for a~~  
2 ~~loan of up to ten million dollars for a construction project bid after January 1,~~  
3 ~~2021, and before June 30, 2024, may apply for a loan in an amount equal to the~~  
4 ~~difference between fifteen million dollars and the amount of the approved loan.~~  
5 ~~Districts qualifying under this subdivision may submit an application for additional~~  
6 ~~funding to the superintendent of public instruction before August 1, 2023.~~  
7 g. ~~A district that qualifies for a loan under subdivision b, which was approved for a~~  
8 ~~loan of up to ten million dollars for a construction project bid after January 1,~~  
9 ~~2021, and before June 30, 2024, may apply for a loan in an amount equal to the~~  
10 ~~difference between thirty million dollars and the amount of the approved loan.~~  
11 ~~Districts qualifying under this subdivision may submit an application for additional~~  
12 ~~funding to the superintendent of public instruction before August 1, 2023.~~  
13 6-8. The Bank may adopt policies and establish guidelines to administer this loan program  
14 in accordance with this section. The Bank of North Dakota may use a portion of the  
15 interest paid on the outstanding loans as a servicing fee to pay for administration costs  
16 which may not exceed one-half of one percent of the amount of the interest payment.  
17 The Bank of North Dakota shall deposit principal and interest payments made by  
18 school districts for loans under this section in the school construction assistance  
19 revolving loan fund. The fund must be audited annually pursuant to section 6-09-29,  
20 and the cost of the audit must be paid from the fund.  
21 **SECTION 2. EMERGENCY.** This Act is declared to be an emergency measure.

**REPORT OF STANDING COMMITTEE  
SB 2149**

**Education Committee (Sen. Beard, Chairman)** recommends **AMENDMENTS** ([25.0717.01001](#)) and when so amended, recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2149 was placed on the Sixth order on the calendar. This bill does not affect workforce development.

**2025 HOUSE EDUCATION**

**SB 2149**

# 2025 HOUSE STANDING COMMITTEE MINUTES

## Education Committee Coteau AB Room, State Capitol

SB 2149  
3/11/2025

Relating to the school construction assistance revolving loan fund; and to declare an emergency.

10:00 a.m. Vice Chairman Schreiber- Beck called the hearing to order.

Members Present: Chairman Heinert, Vice Chairman Schreiber- Beck, Representatives, Conmy, Hager, Hatlestad, Hauck, Heilman, Jonas, Longmuir, Maki, Marchall, Morton, Novak, Osowski

### Discussion Topics:

- School construction
- Funding for schools

10:00 a.m. Senator Schaible introduced the bill and submitted testimony. #40071

10:09 a.m. Amiee Copas, Executive Director ND Council of Educational Leaders, NDCEL, testified in favor.

10:11 a.m. Vice Chairman Schreiber- Beck closed the hearing.

10:12 a.m. Kylee Merkel Bank of ND, answered questions for the committee.

10:15 a.m. Vice Chairman Schreiber- Beck closed the hearing.

*Leah Kuball, Committee Clerk*





# North Dakota Senate

STATE CAPITOL  
600 EAST BOULEVARD  
BISMARCK, ND 58505-0360



## Senator Donald Schaible

District 31  
9115 Highway 21  
Mott, ND 58646-9200  
[dgschaible@ndlegis.gov](mailto:dgschaible@ndlegis.gov)

## COMMITTEES:

Appropriations

March 11, 2025

Good afternoon, Chairman Heinert and the House Education Committee.

For the record Senator Don Schaible, District 31, here to introduce SB 2149. This bill is to create an opportunity for schools on our Air Force Bases to take advantage of low interest school construction loans just like the rest of our school districts. There are differences in our current law that prevents Air Base school construction from participating in our current low interest loan fund for most of the money for construction does not come from property tax and must be voted on by the residence of the district. Currently school districts that wish to build a school building needs to take a bond request to the vote of the people and must pass by a 60% majority. In state statutes, school districts can receive a 2% loan for up to \$15 million loan if the total project is less than \$75 million and up to \$30 million loan if the total project cost is over \$75 million. If there are more requests for loans than money available, DPI will prioritize the projects by Student occupancy and academic needs in the district, the age of existing structures to be replaced or remodeled, building design proposals that are based on safety and vulnerability assessments, community support, cost, and any other criteria established by the superintendent of public instruction, after consultation with an interim committee appointed by the legislative management.

My understanding of school building on Air Force bases are funded mostly by federal dollars which is requested and approved by a priority list by the Air Force. It was not many years ago, the Air Force did a needs study of all the schools on Air Force Bases and created a priority list for school building needs. If selected for the school building are approved at an 80% Federal and a 20% local match of which our state's AFBs would need to come up with the 20% match. Since our AFB's don't have property tax to leverage, the only money they would be available would be the in-lieu of money that we freed up a few sessions ago which would not be enough to cover the 20% requirement.

Both of our bases are on the higher end of the list, and it is very likely that Grand Forks AFB may be selected very soon. The problem that this creates is that there is a local contribution of 20% that would put a financial burden on the Air Force base school. The intent of this bill is to make a 2% loan available to our Air Force Bases when they are selected from the priority list. That way, when approved, they could proceed with construction and spread the local portion of that cost over a period of 20 years just like the rest of our schools. There in lieu of money would be enough to make the loans payments.

Now let's walk through the bill. The added language in Sec 1 Sub Sec 3-page 1 line 16 exempts Air Force Bases from this language and adds language in Sub Sec 4 line11-24 on page 2, the working conditions of this loan. The language in Sub Sec 6 creates the timeline for the loan. Sub Sec 6 clarifies that the Superintendent of Public Instruction reviews the loan applications. Sub Sec 7, Letter C set the loan amount of up to \$20 million. The deleted language on page 3 lines 29 through page 4 lines 9 is the removal of language that is obsolete because of language changes of last session. Section 2 adds an emergency clause.

Chairman Heinert and Committee thank you for your time and I would now try to answer questions if I can.

# 2025 HOUSE STANDING COMMITTEE MINUTES

## Education Committee Coteau AB Room, State Capitol

SB 2149  
3/18/2025

Relating to the school construction assistance revolving loan fund; and to declare an emergency.

2:58 p.m. Chairman Heinert called the hearing to order.

Members Present: Chairman Heinert, Vice Chairman Schreiber- Beck, Representatives, Conmy, Hager, Hatlestad, Hauck, Heilman, Jonas, Longmuir, Maki, Marchall, Morton, Novak, Osowski

### Discussion Topics:

- Committee action

3:00 p.m. Representative Marschall moved a Do Pass.

3:01 p.m. Representative Morton seconded the motion.

Representatives	Vote
Representative Pat D. Heinert	Y
Representative Cynthia Schreiber-Beck	Y
Representative Liz Conmy	Y
Representative LaurieBeth Hager	Y
Representative Patrick R. Hatlestad	Y
Representative Dori Hauck	Y
Representative Matthew Heilman	Y
Representative Jim Jonas	Y
Representative Donald W. Longmuir	Y
Representative Roger A. Maki	Y
Representative Andrew Marschall	Y
Representative Desiree Morton	Y
Representative Anna S. Novak	Y
Representative Doug Osowski	Y

Motion carried: 14-0-0

Bill Carrier: Representative Marshall

3:03 p.m. Chairman Heinert closed the hearing.

*Leah Kuball, Committee Clerk*

**REPORT OF STANDING COMMITTEE  
ENGROSSED SB 2149 ([25.0717.02000](#))**

**Education Committee (Rep. Heinert, Chairman)** recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT OR EXCUSED AND NOT VOTING). Engrossed SB 2149 was placed on the Fourteenth order on the calendar.