

2023 HOUSE EDUCATION

HB 1300

2023 HOUSE STANDING COMMITTEE MINUTES

Education Committee
Coteau AB Room, State Capitol

HB 1300
1/31/2023

Relating to a building fund mill levy without voter approval for school buildings of a certain age
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Chairman Heinert opened the hearing 9:00 AM

Members present: Chairman Heinert, Vice Chairman Schreiber-Beck, Representatives Conmy, Dyk, Hager, Hauck, Heilman, Hoverson, Jonas, Marschall, Murphy, Novak, and Timmons.

Members Absent: Longmuir

Discussion Topics:

- Building maintenance
- Mill levy taxes
- Transportation
- Deferred maintenance grant fund

Representative Scott Louser, District 5, presented HB 1300, oral testimony.

Aimee Copas, Director, ND Council of Educational Leaders, Testimony (#18060)

Mark Vollmer, Dist 1, Superintendent of Schools, Minot Public Schools, Minot Air Force Base, Testimony (#17946)

Alexis Baxley, ND School Boards Association, oral testimony

Wendy Bagley, Minot ND, oral testimony

9:30 AM Chairman Heinert closed the hearing.

Kathleen Davis, Committee Clerk By: Leah Kuball

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Education Committee Coteau AB Room, State Capitol

HB 1300
1/31/2023

Relating to a building fund mill levy without voter approval for school buildings of a certain age

Chairman Heinert opened the meeting 10:34 AM

Members present: Chairman Heinert, Vice Chairman Schreiber-Beck, Representatives Conmy, Dyk, Hager, Hauck, Heilman, Jonas, Longmuir, Marschall, Murphy, Novak, and Timmons. Absent : Hoverson

Discussion Topics:

- Local control
- Mills

Rep Schreiber-Beck moved to put the bill into a study, seconded by Rep Hager. Voice vote. Motion failed.

Rep Longmuir moved a Do Not Pass, seconded by Rep Timmons.

Roll call vote:

Representatives	Vote
Representative Pat D. Heinert	Y
Representative Cynthia Schreiber-Beck	Y
Representative Liz Conmy	Y
Representative Scott Dyk	Y
Representative LaurieBeth Hager	Y
Representative Dori Hauck	Y
Representative Matt Heilman	Y
Representative Jeff A. Hoverson	AB
Representative Jim Jonas	Y
Representative Donald W. Longmuir	Y
Representative Andrew Marschall	Y
Representative Eric James Murphy	Y
Representative Anna S. Novak	Y
Representative Kelby Timmons	Y

Yes 13 No 0 Absent 1 Motion carried.

Rep Heilman is carrier.

10:46 AM Chairman Heinert closed the meeting.

Kathleen Davis, Committee Clerk By: Leah Kuball

REPORT OF STANDING COMMITTEE

HB 1300: Education Committee (Rep. Heinert, Chairman) recommends **DO NOT PASS** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1300 was placed on the Eleventh order on the calendar.

TESTIMONY

HB 1300



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TESTIMONY ON HOUSE BILL 1300
Education Committee
January 31, 2023
Mark Vollmer, Superintendent
Minot Public Schools, Minot, ND

Chairman Heinert and members of the House Education committee, my name is Mark Vollmer. I proudly serve as Superintendent of Minot Public School District #1 and Minot Air Force Base #160. I stand in front of you today to offer our support for HB 1300, a bill to amend section 57-15-16 of the North Dakota Century Code relating to tax levies for building funds in school districts.

The North Dakota Century Code section 57-15-16 allows school districts to levy up to 20 mills when authorized to do so by **sixty percent** of the qualified electors voting upon the question at a regular or special election in any school district. The language in HB 1300 would allow a district, such as Minot, to levy dollars without voter approval, to assist in maintaining school buildings which are significant in age and accordingly its aging infrastructure.

When school starts in the fall of 2024, the Minot Public School District will have 20 facilities in which students are educated. A majority of these facilities, if not all of them, are voter approved facilities, paid by the taxpayers of our school district. These 20 facilities are a substantial infrastructure investment in our community. HB 1300 would provide a financial means to keep these facilities maintained so they do not go into disrepair.

One mill in Minot currently generates approximately \$229,000 per year. If HB 1300 is approved, the Minot Public Schools would manage this levy capacity in conjunction with future debt service levies that are due to come off at the end of their bond life. The District would strive to not raise the mill levy and impact property tax owners.

The District currently maintains 12 facilities in which students are educated that are each **60 years of age or older**. These facilities need a number of improvements such as plumbing, electrical, HVAC, security and handicap accessibility. Since the Minot Public School District does not have a building fund, these expenses fall onto the General Fund. The current K-12 funding formula does not account for deferred maintenance. By using our General Fund to financially support aging infrastructure, dollars are being taken away from educational opportunities for the students in our District.

The Minot Public Schools strongly encourages your committee to recommend **“Do Pass”** for HB 1300 and will stand for any questions you may have.



1 Testimony in Support

2 HB 1300

3 Chairman Heinert and members of the House Education Committee...representing
4 NDCEL and your educational leaders across North Dakota, we come to you in support
5 of HB 1300.

6 In North Dakota, the building and maintenance of K12 school buildings is primarily the
7 responsibility of the local taxpayer – while the state generally takes care of higher
8 education buildings. In K12 education we recognize there must be a mechanism in each
9 district that operates a building to manage deferred maintenance. As we’ve discussed in
10 the funding formula based on the 2012 Odden Report which set the stage for our funding
11 formula for academics, the per-pupil payment was meant to manage the ability to offer
12 a core of academics. It is important to remember what the state funds and what it does
13 not. Extracurricular activities are not funded. Buildings are not funded. Transportation
14 is only funded at 40%. Nor was the formula designed for building upkeep or
15 maintenance. Furthermore, as an instructor at the University of Mary that teaches
16 school facilities, one of the greatest preventative measures of costly building replacement
17 or large-scale renovation, is appropriate maintenance and upkeep. However, as funds
18 are tight in many communities and districts, and some simply do not have voter approved
19 levying authority (about 40 districts) we are seeing deferred maintenance issues grow
20 statewide.

21 Deferred maintenance can have a major impact on occupant safety, asset performance,
22 and risk of unexpected breakdowns. As facility maintenance tasks are pushed further
23 out, the condition of that asset or part will continue to worsen. In the short-term, this

*NDCEL is the strongest ally you will represent and supporting administrators and educational leaders in pursuit of quality education
for all students in North Dakota.*

Executive Director: Aimee Copas-----Government Lead and Special Projects: Kevin Hoherz



1 creates situations where unexpected breakdowns are more likely. Long-term, this can
2 shorten an asset’s useful life, and require a renewal or replacement sooner than
3 expected. There is also a cost benefit to consider when prioritizing deferred
4 maintenance tasks. Proactively completing maintenance tasks is always less expensive
5 than dealing with bigger issues later. However, how is a school able to do this at the
6 appropriate level if they have no revenue stream dedicated to that? That is the purpose
7 of this bill.

8 What is being asked for here is a very small levy authority, but it would account for the
9 ability to fund a reasonable maintenance plan in a K12 school building in a district that
10 has not been able to get levying authority into their building fund. In the senate, we
11 heard another bill that didn’t take this approach but did address the incredible
12 challenge that is in place in these schools that don’t have a fund. You may be surprised
13 to know this is in communities that have readily voted to build a new building with
14 over 60% voter approval but oddly enough will not approve a vote to keep the
15 buildings in good condition at a vote of a simple majority.

16 We ask that the legislature consider this as a reasonable option to assist those
17 remaining districts who need to be able to take care of their aging buildings. In the
18 long run this wisdom will likely be a cost savings to communities and the local tax
19 payer.

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