

**HB1246 – Education Foundation Aid Funding Formula and the Treatment of Federal Impact Aid Funding
Testimony Support
Grand Forks Public Schools Business Manager – Scott Berge
March 10, 2021**

Good day Chair Schaible, Vice Chair Elkin and members of the Senate Education Committee. For the record, my name is Scott Berge and I serve as the Business Manager for Grand Forks Public School District #1 and Grand Forks Air Force Base Public School District #140. I am providing written testimony in support of amending Section 15.1-27-.04.1 of the North Dakota Century Code to exclude all federal impact aid funding from the tuition deduction in the per pupil payment calculation.

Impact Aid is a federal education program that reimburses school districts for the lost revenue and additional costs associated with the presence of nontaxable federal property. Because most public school districts are funded largely through local taxes and fees, and because federal land is exempt from taxation, as are many of the businesses and facilities located on that land, districts containing federal property are at a financial disadvantage in funding their schools. Impact Aid is the federal government paying its taxes — if it did not exist, local taxpayers would be burdened to make up the difference or students would have to go without the resources and opportunities the funding provides. Impact Aid funding includes a small component for construction and facilities. Nationwide, the Impact Aid funding component for construction purposes has totaled \$22.25 million for each of the last five years. This funding is for all 1,016 impacted school districts. Divided evenly amongst the districts, the average would be \$21,900 per year. In 1950 (and in 1950 dollars), the Impact Aid construction and facilities allocation was \$99 million for all Impacted school districts. The federal government has dramatically decreased funding available for facilities. Grand Forks received \$81,478 for facilities during the 2019-2020 year. Grand Forks received \$0 for facilities in the 2018-2019 year. With the 75% tuition deduction, North Dakota per pupil funding for our school district is reduced to the point where we do not have adequate funding available for building maintenance projects in the district-owned facilities our military students attend, let alone other atypical costs associated with a school district located on a military base twenty miles outside of Grand Forks.

Grand Forks Public Schools supports a DO PASS of HB 1246. Thank you for your time and your consideration.