

FISCAL NOTE
Requested by Legislative Council
01/14/2019

Bill/Resolution No.: SB 2280

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2017-2019 Biennium		2019-2021 Biennium		2021-2023 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures				\$2,320,000		
Appropriations				\$2,320,000		

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2017-2019 Biennium	2019-2021 Biennium	2021-2023 Biennium
Counties			
Cities			
School Districts		\$2,320,000	
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

SB 2280 reduces the deduction of mineral revenue from 75% to 50% if a school district meets certain criteria.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

If a school district meets all nine criteria in section 1 subdivision c of subsection 4, that school district would only have 50% of their mineral revenue deducted from the formula rather than 75%.

Subsection 6 of subsection 1 indicates that the money would come from the strategic investment and improvements fund.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

The school district that qualifies under this section received \$4,640,000 is mineral revenue for the 2017-18 school year. Reducing the deduction from 75% to 50% would increase the state aid payment \$1,160,000 per year or \$2,320,000 for the biennium to be funded from the strategic investment and improvements fund.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

Name: Adam Tescher

Agency: Department of Public Instruction

Telephone: 701-328-3291

Date Prepared: 01/18/2019

2019 SENATE EDUCATION

SB 2280

2019 SENATE STANDING COMMITTEE MINUTES

Education Committee
Sheyenne River Room, State Capitol

SB 2280
1/23/2019
31256

- Subcommittee
 Conference Committee

Committee Clerk Signature Lynn Wolf

Explanation or reason for introduction of bill/resolution:

A bill relating to state foundation aid payments to school districts; and to provide a continuing appropriation.

Minutes:

Att. #1-Bekkedahl

Chairman Schaible: Committee will come back to order. This morning we will hear SB 2280.

Senator Bekkedahl: *See Attachment # 1.*

Chairman Schaible: Part of your problem is that you are landlocked by a K8 district. I believe that the problem comes from the K8 district. Would you agree with that?

Senator Bekkedahl: I would agree to that totally. In fact there are about 240 kids from District 8 – the surrounding district – with 1500 square miles of property tax base coming into our district, so we have two issues there. They don't pay for any of our construction needs with that system and I believe that the tuition payments are not enough to make up any difference to do that.

Chairman Schaible: I would agree the tuition payments are probably the cost of educating those students, but not issue. That is what I am getting to. The solution this bill would offer is that the state picks up – whether it is SIFF funds foundation stabilization fund it is state funds that we have access to and what percentage of state funds do we get to use for K12 education. This is a shift from, regardless where the funds come from, so this takes it from the state share and gives it back to in this case Williston by this formula. I understand that, but is it fair to all the other school districts. I think a better solution is to – if you are going to take money from somebody, it should be to take it from where the problem lies – with the K8s and surrounding areas.

Senator Bekkedahl: Mr. Chairman, that is part of the problem. Those kids have put us over enrollment right now and the discussion is can District 1 actually not allow District 8 kids into their high school system. Part of the issue is a letter or agreement between the districts that goes back decades. It says you will take these kids and secondly, school district 1 is looking

at can we deny those kids access to our system because of the overcrowding we have. That is really a last resort. The other issue is Williston School District # 1 in the current statutes we have has no hammer to take to District 8 to say you will do this or else. The community answer to that situation – what people in the community want and most of them in the rural area want – is for the two districts to combine, but there is no hammer to make that happen. District 8 refuses to sit down and discuss that issue because they know there is no hammer, they don't have to sit down and do this. As long as some of the patrons in the school district can keep their taxes low on the agricultural land, they will not want to do this because their taxes would raise in a combined district.

Chairman Schaible: I think that is a more realistic problem is that – why would you consolidate or reorganize if it is going to vastly increase your property tax if you can force somebody to do it without that. I guess those solutions have been talked about – it is either the carrot or hammer approach, but obviously the hammer approach is not very popular around here. My concern are that taking money that would be available for everybody and giving it to, in this case, one. I see a little bit of issue with that. Other questions.

Senator Rust: You talk about the 240 kids and not having them, if you don't have them, you lose \$2.4 million dollars in foundation aid. You are caught, we all know that those extra kids probably sometimes don't cost you as much to educate if you have to have a certain amount, but once it gets to a certain point, now you have a facilities problem. I wanted to ask about the reason for the defeat of the elections there. Don't you think there is sometimes an attitude that you are in this situation because of no fault of your own. Oil has come and people have come in droves. Don't you feel that people are voting no because the state has an obligation to help you out?

Senator Bekkedahl: I would agree completely with that. People have lived all their lives in the community and now we have gone from 12,000 people to 35,000 people in a span of 10 years and a large influx in a short period of time. The people that have been there a long time say, "We didn't want this to happen." In fact, we have lost thousands of good residents that have moved out of town because they never wanted this to happen. That's not the best for any community to lose your base like that. But, people honestly feel that – and I tell people that down in these chambers – oil is a state resource. We have not ownership of that. People feel like they are paying for the impacts on their property tax that has been created by the oil development.

Senator Rust: To some extent I understand why they feel the way they do. They really feel that it has been oil that has caused this problem for them. They have approved bond issues – even one through sales tax. The people are weary of more taxes coming on their property. To them it makes sense to take it from the SIF fund because those revenues come from oil. Do you see that also? How about the fact that in the past when we had a similar situation with coal there were outright grants that were given to Beulah/Hazen to build on to their schools to accommodate these new students. This isn't the case with Williston. Would you agree?

Senator Bekkedahl: Senator Rust I agree completely. My comment to that is that the situation in coal country occurred before the formula change. And ever since the formula change, the state has become a little more ridged I would say. The balancing of you can't

take it from one and give it to another and this is everybody's. Why should you get it? The other thing that has changed is that we no longer have oil impact grants in any of our formulas. At one point we had oil impact grants that the communities really appreciated. When we had growth issues we had someplace to go for some grant dollars. The last time we had impact grants for schools was when Watford City did their high school and Dickinson did their middle school, Williston did their new high school and I believe there was \$5 million given to each community in oil impact grants. Now we have no place in legislation for oil impact grants. I guess, my thought was SIF moneys, oil, SIF monies used to supply the oil impact grants – there is a tie there. I would agree with you that the community feels the same way.

Chairman Schaible: How many people could vote in your last bond election?

Senator Bekkedahl: I don't know the population of the school district – the school district boundaries are smaller than the city. I would guess there must be 14,000-15,000 residents within that space.

Chairman Schaible: And how many voted?

Senator Bekkedahl: I think there was a little over 2,400 or 2,300.

Chairman Schaible: It seems to me that that is a pretty low percentage with the extreme amount of concern we are talking about. If that number was 70-80% of the population, that would be – it should have been higher. I am questioning why it is not. We are hearing now that community fatigue – tax refusal – but nobody is voting. It just seems questionable to me.

Senator Bekkedahl: Part of that is special elections. Right after the first of the year – because of the timelines in the statute, that is the soonest they could hold it. I don't disagree, I would like to see more voting to come from that. I would want to guess, though, that if there had been more votes, it probably have been more against the issue. Which might have made a statement as well. Typically, the people that are fired up about these property tax issues are the one that don't want any change in their property taxes, and they are the ones to be there to vote. I have cautioned the school district that they really need to ramp up your base of supporters to overcome that. It is going to be a 1000 people in our district that will vote against any tax issue.

Chairman Schaible: I know that in the district I live in, property tax counts for – agriculture – counts for 80% of the property tax. It is one industry is covering 80%. That is a debate as to whether or not it is a fair system or if it is the right tax to use. I guess also there is a bill also to allow sales tax and that is a pretty good option also.

Senator Oban: Don't you think that voters in Williston seem to have the same attitude that legislators have about raising taxes?

Senator Bekkedahl: I would agree. Most people just don't want to pay more. Property taxes is a bad word in most people's minds. The community used to be more supportive. I don't know what has changed.

Senator Oban: I would guess their property tax has changed. It is significant when you are talking \$169 for every \$100,000 in value. That is especially with people with fixed incomes. I don't know how anybody stays. My own parents left Ray when things escalated the first time. I think there has become this attitude of the state has all this money and so there is growing frustration that in my opinion we keep doing and the legislature puts more and more pressure on taxpayers. So I understand why they feel that way. But, at some point we need to have a real conversation about, you know the state pays bills by collecting taxes, too. When reduce income taxes and we have reduced the oil extraction tax – there are ties to this and the ability to pay. At some point somebody needs to have real conversations about – there is this attitude that it is always somebody else's responsibility if it is going to impact me. I worry about – we continue to bring these kind of bills forward - because everybody is frustrated with their property taxes. We have the same attitude at the state level. We are not willing to tell people, it is tax dollars that is going to pay for it out of here, too. I don't know how those conversations have gone or if they have happened in the Williston community, but they need to happen because I don't know how a bond measure is going to help that if property taxpayers are going to see an increase like that.

Senator Bekkedahl: I agree completely, and we all have different priorities in our districts in our area and I would tell you that this is our priority. Our community can no longer grow without addressing the school facility issue. As long as it is tied to property tax, it is going to be a really difficult task to get it done. I put it on your committee's shoulders to do the best you can for all of us and hopefully, in that mix, there is some assistance for my district because it is becoming untenable to my residents.

Senator Oban: Do you have any bills that would bring back oil impact funds? So it doesn't look like it is only going to benefit District 1?

Senator Bekkedahl: There are none that I am aware of. Why they got pulled out of the mix is beyond me. I have not been part of those conversations. They certainly worked in the past. I think there's been in the other chamber significant opposition to that – as handouts. Where they were accepted before, they are no longer in that chamber accepted.

Chairman Schaible: Other questions. Thank you. Other testimony in favor of the bill. Agency testimony. Testimony opposed to the testimony. If not, we'll close the hearing.

2019 SENATE STANDING COMMITTEE MINUTES

Education Committee
Sheyenne River Room, State Capitol

SB 2280
1/29/2019
31649

- Subcommittee
- Conference Committee

Committee Clerk Signature: Lynn Wolf

Explanation or reason for introduction of bill/resolution:

A bill relating to state foundation aid payments to school districts; and to provide a continuing appropriation.

Minutes:

Chairman Schaible: Committee, we are going to look at SB 2280. This is again in the in lieu of portion of that and as was Senator Rust's version was, before we were deducting percentages of the in lieu of, SB 2280 reduces the reduction of mineral revenue from 75% to 50% which allows the school to keep 25% more of that caveat of that in lieu of. There again, that is a similar portion of that. This is also probably written language that just would be an isolated case for the Williston School District. I think the language just covers them. If I am reading this right. So, with that 2280, we are carving out a situation just for Williston that they would keep 25% more of their mineral revenues from their in lieu of sections. The reason I wanted to talk about these together is because, there again, it is the in lieu of section that we are talking about.

Senator Rust: Don't you also have something does similar? Should we be talking about that at the same time?

Chairman Schaible: The K12 funding bill takes them all down to 75%. So it just takes out the two caveats to do that. The discussion should be what we should be doing for the in lieu of section. What is appropriate with all these bills. And then the one on the other side of the aisle - which is in a House version that takes them all to 75%, but then gives the sinking and interest portion and gives the school district 100% of that. Those are all four of them that I know of. This one carves out a section just for Williston - giving them a special deal out of that. I think we need to carve out some help for Williston because I think they are a special situation beyond the control of their own making. They are surrounded by Districts. I am not in favor of 2280 because it carves out different areas that just minerals. I am more interested in the House version of the sinking and interest fund for several reasons because sinking and interest is based on their debt of their bond issue. It has already been voted on by the people and when you talk about in lieu of instead of taxes, that portion of that was voted on by the people. If you are giving them that carve out from that deal, it is based on two things - targeting specifically the problem we are looking at which is debt for buildings and

construction. The other thing is that that area has been voted on by the people. To me, that seems like a more rational approach if we are going to make an exception. You have to remember that every time we take some of this money out of the in lieu of, we are taking money from the rest of the state – money that would be used to pay K12 funding and everything else. When we pull that back, we are giving it to one and taking it from everyone else. In the case of Williston, that is what would happen with the sinking and interest portion, but I am guessing that people would understand that that's addressing debt and it has also been voted on by the people. As far as I am concerned, I think that is a more appropriate compromise from the state and all the other schools that are giving up some of this money to pay this school district. That is my rational for that. This one does just does something for just Williston, which I have a little bit of concern of because of there is a lot involved with what has happened to Williston. Part of the problem is that they are surrounded by a K8 district, so they are educating a lot of students that come from outside their district which they have to educate at 9th – 12th grade which is beyond their control. They wouldn't have to take these students, but that is the biggest concern we have because if they got so many students that their property base can't support. I think that is the rational for what they are looking for. It is also the reason why there is a shortage of buildings and have 50 portable classrooms. It is not all high school, but it is the thing. I am looking at if we are going to help Williston with that, it should be specific to the problem that we have according to sinking and interest and debt. And then going on into tuition which is student based.

Senator Oban: Looking at the fiscal note of 2280, I understand that every bit would help, but, \$2 million is that really going to help? I am questioning why it shows only \$2 million.

Senator Rust: The reason you can't show what is in the next biennium is because we don't know how much mineral revenue they are going to get.

Chairman Schaible: But it would be ongoing.

Senator Rust: The trouble with that mineral revenue is that it fluctuates. So, it could be \$ 5 million – it could be \$3 million. The bust they can do is take a look at what the last recorded amount and then figure off of that.

Senator Oban: The reason is coming out of other funds is that we wouldn't have collected that amount in the first place? Right?

Senator Rust: The reason to have it come out of the SIF fund is so that it doesn't take from the rest of the state. When you take the money out then everybody else has to chip in to give to them. Well, Senator Bekkedahl's bill takes it from the SIF fund so that it doesn't happen to the rest of the state.

Chairman Schaible: We move money around a lot of different funds. I understand the rational of that, but we are taking from infrastructure then to supplement schools – in theory. I even look at the BND unreserved profits as state money.

Senator Rust: At the same time, it was oil that created the problem. The SIF fund is oil money, so it should pay for the problem.

Chairman Schaible: And that is a debate and a vote we will have. I understand, but you can also say that Fargo carried the rest of the state in the other terms and agriculture carried it the rest of the time. We can have those arguments, but when it comes down to it, we all understand that and when we vote on it, that's the way we will be voting.

Senator Rust: I understand that I am pretty emphatic and I apologize if I offend anybody, but Williston is a part of my District and it is extremely troublesome to them and they are demanding that their people that are sent here give a voice to them. They feel that voice has not come strong enough in the past. That is the reason for doing it.

Chairman Schaible: I don't think anybody criticizes you for speaking for the people you represent, and I think that is fine, but as a committee and as a group, we also have to represent the state. In this case, we represent education as a whole which the rest of the people count on us to look at the whole picture. I am not suggesting that we don't need to get creative on how to help Williston and also some of these other schools that have been what they see as short changed by the in lieu of system, but it is up to this committee to suggest to the body of a compromise of what is best for the state and for them also. I am not criticizing anybody to debate that. In this case of 2280, I guess I am not in favor of this way. I think we need to do something, but we are also looking at the other ones – 2160. I would suggest that when we come back with those helps, your sheets and your bill and this one also, and what we look at in the K12 funding bill which is 2265, they will all go to 75% which also will give all of those schools more money – not only Williston, but everybody that has a large chunk of in lieu of funding deducted from their district.

Senator Davison: As we look at this, they are just getting money sooner. What is the second half of the on time funding do for Williston? The second year of the biennium?

Chairman Schaible: Or what did they get for 2800 students?

Senator Davison: Yes. I was just curious.

Chairman Schaible: 18% of \$10,000. And, they will get \$10,000 for every new student that year. That's a big help. There are several different options to help Williston in different ways. Yes, it isn't the whole ball of wax and they are not going to pay for their school in one year, but there is where we are making tweaks to our school construction bill that gives Williston caveat to use that and some of these other tweaks that are coming that I think we will provide some help to Williston if they pass and they choose to be the ones they have.

Senator Rust: Just a final comment. Obviously, I am concerned about my district – Williston. I am also concerned about West Fargo. 500 kids coming into the system each year – that's like a new school. Fortunately, they have individuals that are willing to put on their taxes, but I can't imagine that after a while that can't get really old.

Chairman Schaible: I spend a lot of time throughout this 18 months visiting with all the schools across the state. These ideas that are brought forward, are not just my ideas, but, these are ideas from the field. The field has had this discussion about in lieu of and what's best for the state and what is best for schools. These are also ideas that will be accepted by the schools in general because they have been involved with discussions of that. They get a

little worried, too, when you start making carve outs for other schools. If you are doing something for Williston, what are you doing for West Fargo? We have to be a little cognizant of how we do that, too. There are a lot of categories with the in lieu of which is some of it is like Senator Nelson's deal. Some of these students' stuff would affect that also.

Senator Davison: I don't represent West Fargo, but I work closely with them on many things and they want the second half of the year of the on time funding. I think if they got that, they would be just tickled pink. I don't think there is – they have the bond issues to build, they got a plan, they would be more concerned if moving the formula around and losing dollars within the formula. They have already planned and understand their finances moving forward and they have their bond approved of over \$100 million for the third high school and their third middle school and so, the on time funding for the second half of the biennium is the big ticket that they are looking for.

Senator Rust: I understand we are getting into a time crunch and we need to move on some of these bills. I understand where some are going to go, so we need to make some decisions and decisions are going to fall where decisions are going to fall. So I am fully comfortable on making with making those decisions fairly soon.

Chairman Schaible: We have to make some decisions because Monday is our deadline and I'd like to get most of them done by Wednesday. We will adjourn the committee until after session.

2019 SENATE STANDING COMMITTEE MINUTES

Education Committee

Sheyenne River Room, State Capitol

SB 2280

2/4/2019

32043

Subcommittee

Conference Committee

Committee Clerk Signature: Lynn Wolf

Explanation or reason for introduction of bill/resolution:

A bill relating to state foundation aid payments to school districts; and to provide a continuing appropriation.

Minutes:

Chairman Schaible: Committee we are looking at SB 2280. This is a carve out just for the Williston School District. I believe it changes the in lieu of factors and lets them keep that money and gets money from the SIF fun and puts it back so the other schools don't get hurt. I don't know if you were going to give them money why wouldn't you just take the funds out of the SIF fund and give it to them. I guess that is my main objection to this bill. Not that I am objecting to helping Williston in this case because of their unique consequences and issues, but I hate to carve out special funding just because they have troubles and if we are going to carve out special fundings, it should be targeted directly to those problems. Williston's problem is they are getting a lot of students from outside their district from K8 districts and not receiving the benefit from those students. They get the per pupil payment, but they don't get any of the local contribution from the property tax from outside that district. That creates some discrepancies and how much funding they can get. The other thing is the in lieu of factors was set up as a rational for what was appropriate for the adequacy and equitable of our state funding formula of the haves and have nots. Whether you agree with it or not, that is the funding formula we use, so changing those factors, I feel that if we are going to change them, there should be a rational that should be used across the state and effects everybody equally. For that reason, I would object to this bill. There are some ways that we can help – in this case Williston – and or other districts that are being impacted by oil impact and extremely rapidly large enrollment increases, but I don't think this is the way to do it. Other discussion.

Senator Davison: I move a Do Not pass recommendation on SB 2300.

Senator Oban: Second.

Chairman Schaible: Other discussion.

Roll call vote taken: Yeas: 6; Nays: 1; Absent 0.

Motion carries.

Date: 2-4-19
Roll Call Vote #: 1

**2019 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2280**

Senate Education Committee

Subcommittee

Amendment LC# or Description: _____

- Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
Other Actions: Reconsider _____

Motion Made By Sen Davison Seconded By Sen Oban

Senators	Yes	No	Senators	Yes	No
Chairman Schaible:	✓		Senator Marcellais:	✓	
Vice-Chairman Fors:	✓		Senator Oban:	✓	
Senator Davison	✓				
Senator Elkin:	✓				
Senator Rust:		✓			

Total (Yes) 6 No 1

Absent 0

Floor Assignment Sen Schaible

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2280: Education Committee (Sen. Schaible, Chairman) recommends **DO NOT PASS** (6 YEAS, 1 NAYS, 0 ABSENT AND NOT VOTING). SB 2280 was placed on the Eleventh order on the calendar.

2019 TESTIMONY

SB 2280

SB 2280
1-23-19
AH. #1
P1 of 2

Senate Education Committee
Honorable Donald Schaible, Chairman
Senate Bill 2280 Hearing
Testimony by Senator Brad Bekkedahl

January 23, 2019

Chairman Schaible and Committee,

Senate bill 2280 attempts to correct an issue that occurred with the school equity legislation SB 2200 passed in the 60th Legislative session in 2007. Prior to that legislation, school districts in oil producing counties were allocated gross production tax (GPT) payments as in-lieu of property tax revenue. They were also allowed to retain 100% of these oil payments. In the case of Williston School District 1, (the smallest school district in terms of property tax base in the state) this revenue stream was the supplemental income that allowed them to weather the impacts created by rapid increases in enrollment during oil boom periods, as had happened in the past. In legislation in 2007, the school funding formula changed, and the oil county school districts had their GPT payments imputed by 75% of the revenue if their total revenue exceeded certain limits. In a later funding formula change in a subsequent session, the imputation was changed to a subtraction in the formula, resulting in the loss of 75% of the GPT revenue regardless of total revenue. We are now in the first period of intense growth in our city and school enrollments since the passage and implementation of this formula due to our present Bakken oil boom. Williston School District 1 has only 16 square miles of property tax base, has doubled its enrollment in 10 years from 2100 to 4300, is the 6th largest enrollment district in the state, levies over 80 mills for its general fund and over 120 mills in total property tax, utilizes 52 portable classrooms (some dating to 1980) and has run out of options to further support the growth and needs for facility construction totally with local property tax revenue. So far, they have failed in two construction bond issues in the last year, and are attempting one more in April of 2019, which if successful will increase the local property tax levy by 23%. Their last successful bond issue five years ago was to build a new High School, and it was over capacity in its second year of operation. Current needs are for two new 600 student elementary schools, renovations to all the existing schools for ADA compliance and mechanical issues, renovation of the old high school as additional middle school space, and additions to the new high school to accommodate 400 more students.

SB 2280
1-23-19
Att. #1
p. 2 of 2

The mechanics of the bill are on page 4 and establish that if the criteria in subsection (c) apply to a school district, they are allowed a GPT subtraction of only 50% instead of 75%, with the extra 25% retained GPT revenue being placed into the school district building fund for new school construction or renovation debt. Since one of the concerns of the education community is that changes in formula take revenue from some when it is reallocated in statute to others, I have placed an appropriation in the bill that replaces the revenue in the formula needed to satisfy this change on a continuing basis, equal to the amount of revenue allocated to the qualifying school district in this bill, so that all other school districts are held harmless and not negatively impacted.

Mr. Chairman and committee, this bill is my last resort to attempt to restore some funding equity to my local school district. We don't want to be treated differently, but as you can see, there are circumstances here that just don't apply to anyone else. Williston School District 1 and the citizens of Williston deserve consideration of this revenue adjustment and I hope the committee is able can take the action needed to improve the environment our residents, teachers, and children currently are forced to endure. There is a statewide implication to our funding issue. We are the largest hub city for the Williston Basin oil province with over 500 companies engaged in the industry and have over 60% of our workforce in oil development. New wells bring increased employee needs and without adequate school facilities and funding, the industry will suffer in its workforce growth and the state revenue stream will be impacted as well.

Thank you for your attention and I stand ready for any questions.