

Survey Results

In February 2024, the North Dakota School Facility Coalition conducted a comprehensive survey of all 166 school districts in the state. The survey aimed to gather detailed information regarding the current condition of school facilities, financial limitations, debt limits, and recent efforts to address facility needs. Out of the 166 districts surveyed, 111 responded, providing valuable insights into the challenges faced by schools across North Dakota. The key findings are summarized below:

1. Participation:
 - 111 out of 166 districts completed the survey, representing a broad cross-section of the state's students and school districts.
2. Primary Challenge- Aging Facilities:
 - Aging facilities and deferred maintenance were identified as the number one challenge facing school districts. This indicates a widespread need for updating and maintaining school infrastructure to meet current educational standards.
3. Debt Limits:
 - 77 respondents reported having a current debt limit of 5%, while 26 schools reported a 10% limit. These limits pose significant constraints on the districts' ability to fund necessary facility improvements.
4. Facility Assessments:
 - Only 46 out of the 111 schools had completed a facility assessment in recent years. This highlights a gap in the evaluation of school facility conditions, which is crucial for planning and implementing improvements.
5. Bond Referendums:
 - 61.2% of the responding schools had held a bond referendum in the past 10 years. This suggests a substantial effort by districts to secure funding for facility upgrades, despite financial and legislative hurdles.
6. Building Levy:
 - The average building levy reported by districts is 10.16 mills.

Implications

The survey results underscore the pressing need for a coordinated statewide effort to address the aging and deteriorating condition of school facilities in North Dakota. With the majority of districts facing financial constraints due to the rising cost of construction, tax impacts, and outdated debt limits, it is clear that many schools are struggling to provide adequate learning environments for students. The North Dakota School Facility Coalition used these survey findings to guide the recommendations provided in this report.

Coalition Recommendations

The North Dakota School Construction Coalition asserts that ensuring adequacy and equity in school facilities across the state is essential. Regardless of a school's location, district size, or demographic makeup, every student deserves access to a safe, supportive, and effective learning environment. To address the disparities and challenges currently faced by many school districts, the coalition proposes the following four key actions:

1. Minimum Facility Adequacy Standards

Objective:

Establish a set of minimum standards for school facilities in North Dakota.

2. Facility Condition Assessments

Objective:

Ensure adequate and equitable school facilities by funding a statewide facility condition assessment program.

3. State Funding

Objective:

Create a state funding program to provide financial support for school facility improvements.

4. Legislative Action

Objective:

Make legislative changes to address current challenges facing school districts in their efforts to improve school facilities.

The North Dakota School Construction Coalition firmly believes that taking these four actions is critical to providing every student in the state with access to high-quality educational facilities. By establishing minimum standards, conducting thorough facility assessments, securing state funding, and enacting supportive legislation, North Dakota can ensure that all schools are equipped to provide a safe, healthy, and effective learning environment for every student.

Minimum Facility Adequacy Standards

In the context of school facilities, a standard is a set of criteria used to measure and judge the adequacy and equitability of educational environments. Across the United States, many states have adopted minimum facility adequacy standards to serve as a benchmark for evaluating school buildings. These standards help guarantee that all students have access to a safe and supportive learning environment, no matter where they reside or which school they attend.

The North Dakota School Construction Coalition has reviewed minimum facility adequacy standards from states such as Texas, Arizona, Wyoming, and Minnesota. These states have implemented clear criteria that provide a common measurement tool to evaluate school facilities' condition, safety, and suitability for learning.

Consideration

Currently, North Dakota does not have minimum facility adequacy standards for school facilities. This absence of standardized criteria makes it challenging to assess and compare the conditions of school buildings across the state. While the specific standards adopted by each state may vary, the essential element is the establishment of a consistent framework that ensures all school facilities are measured against a common set of requirements.

Examples of Facility Adequacy Standards Include:

- ❑ Compliance with Codes: School buildings meet local, state, and federal building and fire codes.
- ❑ Environmental Regulations: Facilities comply with state and federal environmental regulations, ensuring a safe and healthy environment for students and staff.
- ❑ Structural Integrity: Buildings are structurally sound and capable of withstanding various environmental conditions.
- ❑ Accessibility: Facilities meet all accessibility codes, including the Americans with Disabilities Act (ADA), ensuring that all students have equal access.
- ❑ Educational Spaces: Schools provide adequate space and facilities for required educational programs, including classrooms, libraries, laboratories, and recreational areas.

Coalition Recommendations

The School Construction Coalition recommends that the state of North Dakota take the critical step of establishing minimum facility adequacy standards for school facilities. This foundational action is essential for assessing and ensuring acceptable and impartial educational environments for all students across the state. Without established facility standards, it is impossible to effectively evaluate the current state of school facilities or plan for necessary improvements. By adopting minimum facility adequacy standards, North Dakota can take a significant step toward ensuring that all students, regardless of their school, district, or geographical location, have access to facilities that support and enhance their educational experiences.

Facility Condition Assessment

Introduction

A facility condition assessment (FCA) is a research-based method used to evaluate the physical state of a building, including its infrastructure, systems, and finishes. This evaluation helps determine the estimated lifespan of a school building and the cost of necessary repairs or replacements. FCAs are critical tools for planning and budgeting maintenance and renovations to ensure that school facilities remain safe, functional, and conducive to learning. Nationally, eleven states fund facility condition assessment programs, and an additional 15 states require school districts to complete facility assessments. These programs provide a systematic approach to understanding the condition of school facilities, identifying areas in need of repair or upgrade, and allocating resources effectively.

Considerations

In North Dakota, fewer than half of the school districts have completed a facility condition assessment. Currently, the state does not have a standardized method to evaluate the condition and needs of K-12 public schools. This lack of data creates challenges in understanding the full scope of facility-related issues and making informed decisions regarding facility improvements.

Examples of the Costs to Address Facility Needs Based on Facility Condition Assessments:

- Devils Lake School District: \$63 million
- Oakes School District: \$27 million
- Valley City School District: \$37 million
- Williston Basin School District: \$225 million

These examples illustrate the significant financial investment required to address facility needs adequately. Without a comprehensive and standardized assessment process, many school districts struggle to identify and prioritize these needs, leaving students and staff in substandard learning environments.

Coalition Recommendations

The North Dakota School Facility Coalition believes that implementing a facility condition assessment program is a critical step in supporting school districts and ensuring that all school facilities meet minimum adequacy standards. A facility condition assessment program is essential for identifying the current state and needs of school facilities in North Dakota. By implementing a fully funded and standardized assessment program, the state can take a proactive approach to ensure that all students have access to safe, adequate, and equitable school facilities. This initiative will not only support the long-term sustainability of school buildings but also enhance the educational environment for students and staff statewide.

State Funding Program

Introduction

According to the National Center for Educational Statistics, the average age of public schools in the United States is 49 years old, with approximately 40% of schools constructed before 1970. In 2012, the estimated cost to bring schools nationwide to good overall condition was \$197 billion.

This figure underscores the immense challenge of maintaining and upgrading school infrastructure. In North Dakota, the cost to ensure all school facilities are in good condition in 2024 is yet to be fully assessed, but it is expected to be substantial given the age and condition of many schools in the state. The average of public schools in North Dakota is 55 years old.

Considerations

Across the United States, more than half of the states provide state-supported funding for school facilities, recognizing that adequate and equitable educational environments are essential for student success. However, North Dakota currently allocates no state funding specifically aimed at ensuring the adequacy and equity of school facilities. This gap places a significant burden on local school districts and their communities.

In recent years, the cost of construction has increased dramatically due to inflation and labor shortages. These factors have made it increasingly difficult for local efforts to address aging and deteriorating school facilities without imposing a significant tax burden on residents. For many districts, particularly those in western and rural North Dakota, construction costs now exceed \$500 per square foot, a steep rise from \$250 per square foot just five years ago.

Key Challenges:

- ❑ Lack of State Support: No current state funding is allocated specifically for school facility improvements.
- ❑ Rising Costs: Construction costs have doubled in some areas, making it more difficult for districts to fund necessary upgrades and repairs.
- ❑ Tax Burden: The financial burden of improving school facilities falls heavily on local taxpayers, often leading to challenges in passing bond referendums and levies.

Coalition Recommendations

The North Dakota School Facility Coalition advocates for the creation of a state funding program aimed at guaranteeing that all K-12 students in North Dakota have access to adequate and equitable school facilities. The coalition believes that providing state support for school facilities is not only a responsibility of the state but also a strategic investment in the future of North Dakota's education system. Additionally, state funding can provide much-needed property tax relief to residents.

With rising construction costs and the significant burden on local taxpayers, it is imperative that the state takes an active role in supporting school infrastructure. The coalition urges the state legislature to establish a state funding program, drawing from the substantial resources of North Dakota's trust funds, to invest in the future of education and the well-being of its students.

Legislative Action

High-quality school facilities are essential for creating safe and effective learning environments for students. However, many school districts face difficulties in maintaining and upgrading their facilities due to outdated school construction financing laws. To overcome these challenges, our coalition advocates for legislative action to enforce that all schools can meet current standards.

Considerations:

Scott D. Wegner, a North Dakota attorney, has written a comprehensive guide on school construction finance laws, offering strategies for school districts to achieve adequate and equitable facilities. In his guide, on page 25, Wegner suggests seven legislative actions to enhance school facilities. After a thorough review of this resource and multiple discussions with Wegner, the coalition has identified key recommendations for legislative actions.

Coalition Recommendations:

The School Construction Coalition proposes six legislative actions that would greatly strengthen the partnership between the state and school districts, facilitating improvements in school facilities to meet state standards. These recommendations are outlined below:

1. Debt Limits:
 - Current debt limits for school districts are half the amount intended by the constitution, measured against true and full value rather than full value. With the rising costs of construction, many districts are unable to fully utilize their debt capacity to address necessary facility needs.
 - Recommendation: Increase the debt limit for school districts or measure it against assessed values, aligning with the original constitutional intent.
2. Voter Requirements:
 - Adjust the requirements for voter approval on General Obligation (GO) Bonds. Currently, a supermajority is needed, which can be challenging to achieve.
 - Recommendation: Lower the required voter approval to a simple majority if at least 40% of qualified voters participate in a school referendum election. If voter turnout is below 40%, a 55% voter approval would be required to pass a GO bond.
3. Miscellaneous 12 Mills:
 - Historically, school districts have been allowed to levy mills for specific purposes (e.g., HVAC improvements). However, current regulations limit districts' ability to address various building needs.
 - Recommendation: Allow school districts to bond against the 12 miscellaneous mills in the general fund for specific building needs, similar to the authority counties have to borrow against their general fund without a public vote.

4. Building Fund:

- While most school districts have a building fund, only 29% levy beyond 10 mills. In contrast, counties and other local governments can access up to 10 mills for capital projects without a public vote.
 - Recommendation: Align school districts with other local governments, granting them the ability to levy up to 10 mills without voter approval to fund school facility needs.

5. Amending Referendum Ballot Language:

- The language on school bond referendum ballots was amended in 2015 to include mill amounts, causing confusion among voters unfamiliar with this terminology. Schools are required by law to use dollar amounts when presenting tax levies to the public.
 - Recommendation: Amend the language on referendum ballots to revert to the original format, using dollar amounts to align with current tax levy requirements and reduce voter confusion.

6. Special Reserve Fund:

- School districts are currently authorized to levy three mills for the Special Reserve Fund without exceeding the value of 15 mills and can withdraw fifty percent each year.
 - Recommendation: Amend the regulation to allow school districts to transfer the full amount of funds from the Special Reserve to the building fund, enabling them to address school facility needs more effectively.

Next Actions of the Coalition

Following the presentation and feedback from the School Funding Task Force, the coalition will continue to engage with education and state leaders to gain support for the recommendations outlined in this report. The coalition remains committed to advocating for solutions that will provide students with adequate and equitable school facilities in North Dakota. The key actions moving forward are summarized below:

- Meet with state educational associations and offices (NDU, NDCEL, NDSBA, NDDPI, NDSOS) to gather input and feedback.
- Providing information, data, and school resources to assist legislators in their efforts to improve school facilities during the 2025 Legislative Session.
- Continue to communicate with educational and state leaders in an effort to build support for achieving adequacy and equity in all North Dakota schools.

Appendix A: Letters of Support



Great Public Schools

Great Public Service

May 30, 2024

Dr. Josh Johnson, Superintendent
Valley City Public Schools
460 Central Avenue North
Valley City, ND 58072

Dear Dr. Johnson:

At a recent meeting of the ND United Board of Directors, Southeast Region Director Sarah Lerud asked that we support the efforts of the ND School Construction Coalition. After a conversation led by Ms. Lerud, the ND United Board of Directors voted unanimously to stand with the Coalition in its efforts to ensure that communities across North Dakota have the funding they need to provide safe, modern buildings that accommodate the educational needs of their children.

In our view, we do not do anything as a society more important than educate our future. Like you, ND United believes that students deserve modern and flexible workspaces in which to learn the skills they will need to prepare them to graduate with the skills necessary to succeed in the military, the workforce, or in higher education. Please know that ND United applauds your efforts to improve education in our state and we wish you great success in this endeavor.

Best Always,

A handwritten signature in blue ink, appearing to read "Nick Archuleta".

Nick Archuleta
President