



Western Dakota Energy Association
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Friday was a historic day at the Capitol. The school boards of Williston District #1 and Williams County District #8 met jointly at the invitation of Governor Burgum and the state Board of Public Education. The photo shows Burgum greeting Williston #1 vice president Tom Kalil, with board members Theresa Hegge and Joanna Baltes to the left. Both school districts educate students inside the city limits of Williston; about 55% of students attend schools operated by #1 and the other 45% attend District #8 schools. Both districts are challenged to keep up with rapid enrollment growth. A bond issue to expand District #1 schools failed this week. Voters will go to the polls May 14 to decide the fate of a District #8 bond issue. Governor Burgum's message to the two boards was to engage in "extreme collaboration" to find the most efficient solution. Burgum signed two bills this week that could help. [HB 1125](#) would allow a cooperative plan between districts with taxable property located in the same city, and [HB 1434](#) would facilitate the merger of adjoining school districts.

School funding issues have yet to be resolved this session. There are three bills still in play: [SB 2013](#), the Department of Public Instruction's budget bill, which includes state aid funding; [SB 2265](#), which contains several provisions that could benefit western North Dakota districts; and [SB 2214](#), which would put money into a low-interest loan pool for school construction projects. All three bills are in legislative conference committees. SB 2265 would allow districts that receive gross production tax revenue to keep 100% of the money earmarked for a sinking and interest fund. Currently, 75% of the value of GPT revenue is deducted from the district's Foundation Aid payment. The Senate dispensed with [HB 1365](#), a bill that contained the same sinking and interest provisions. SB 2265 bill also contains a provision that moves toward on-time funding, but phases it in over several years, and includes a \$3 million appropriation for rapid enrollment grants. Qualifying districts would have to have at least a four percent increase or 150 new students, and would receive \$4,000 for each student. The bill also contains a two percent increase each year of the coming biennium to the current \$9,646 per pupil payment, which would increase to \$9,839 in the 2019-20 school year, and \$10,036 the following year. Still contained in the bill is a controversial provision that would force several western districts to raise property taxes to reach the state's 60-mill target. Many districts have lower tax rates because of steep increases in property values related to oil development. Western districts question the fairness of the policy because GPT revenue they receive is "in-lieu-of" property taxes, but is not counted toward the district's local taxing effort.

Another controversial bill, [SB 2344](#) dealing with underground pore space, is headed back to each legislative chamber in [amended form](#). A conference committee approved the revised version of the bill, which no longer contains provisions related to the prospect of storing produced natural gas in underground formations. Landowner groups questioned whether the legislation could take away rights to future compensation if gas storage does occur.

Another House-Senate conference committee is reviewing [HB 1435](#), the so-called SORN 2020 bill which would establish a statewide interoperable radio network for emergency responders. The bill currently contains a \$40 million appropriation and an \$80 million line of credit to fund the state's portion of the network and pay for a \$1,500/radio stipend to local government entities to help cover the cost of multi-band radios. Total cost of the project is \$206 million with the balance to be covered by cities and counties. The network frequencies would be in the 800 MHz range, which will deliver much better coverage inside structures. When the five-year planned buildout is completed, the network is expected to provide 95% statewide coverage, with 95% reliability for vehicular units, and 85% for responders with portable radios.

Another major issue yet to be resolved is the legislature's interpretation of the confusing and carelessly written "ethics" language contained in what is now [Article XIV](#) of the state constitution. House and Senate committees are struggling to define phrases such as "ultimate and true source of funds" and what it means to "influence state government action." One mystery that remains is what proponents expect will be disclosed that is not already disclosed under current law. With amendments, the House version, [HB 1521](#), currently stands at 45 pages. The Senate version, [SB 2148](#), is modest in comparison at just 22 pages. Both special House and Senate Ethics Committees have meetings scheduled next week.

A Senate Appropriations subcommittee came up with a compromise plan related to the proposed closure of the Dakota Women's Correctional Rehabilitation Center in New England, which is part of [HB 1015](#), the budget of the Corrections Department. The bill provides \$11.9 million to house either male or female inmates at DWCRC in the 2019-21 biennium, to be determined by the governor with the approval of the Southwest Multi-County Correction Center. The bill directs the governor (DOCR) to consider the potential for workforce training and work release in making the determination.

The Senate gave final approval this week to [SCR 4017](#), a resolution that urges the state Indian Affairs Commission to study Native cultural resources and capture the knowledge of tribal elders to protect and preserve sacred tribal sites. The original measure provided for a legislative study of the topic, and was intended to help avoid potential future confrontations over Native sites like that which occurred during construction of the Dakota Access Pipeline.

Additional details about the 2019 legislative session and other energy-related issues affecting western North Dakota can be found in WDEA's [weekly newsletter](#) published every Friday. Click [here](#) to subscribe.