

## A Voluntary Dissolution

## Dissolution - Summary

- School board public meetings – March or before
- School board’s action to dissolve – April 1 or before – notify county superintendent
- Legal notice published for county hearing 14 days prior to hearing
- County hearing – May 1 or before

## Dissolution - Summary

- Annexation packets in State office – May 15 if want State Board to consider approval at June meeting
- Legal notice published for state board meeting 14 days prior to meeting
- State Board Approval – June or before
- Effective Date – July 1 or other (often August 15)

## Dissolution - Details

- **The school district decides and votes that:**
  - It is in the best interests of its students to dissolve the school district and become attached to surrounding school districts.
  - Once this step is taken, subsequent handling of the dissolution is out of the hands of the local school district board, however, the school board may propose a particular manner of dissolution at the county hearing.

### Dissolution-Details (cont.)

- The school district board, after it has voted to dissolve, notifies the county superintendent of its decision and provides a copy of appropriate documentation.
- The county superintendent notifies the county committee and schedules a hearing on school district dissolution. If the school district lies in more than one county, a multiple county committee hearing would be scheduled.

### Dissolution-Details (cont.)

- **Receipt of notice of dissolution by county committee:**
  - Renders annexation petitions involving property in the district void, unless the annexation has already been approved by the State Board;
  - Prohibits the acceptance of new annexation petitions involving any property in the district until all dissolution proceedings have been completed.

### Dissolution-Details (cont.)

- Appropriate public notice of the county hearing is published.
- The county committee holds the hearing, takes input from anyone who wishes to testify, including the school board, and decides on a manner of dissolution.
- Subject to state board approval, the county committee shall order the district dissolved and its real property attached to one or more contiguous, operating school districts.

### Dissolution-Details (cont.)

- The county committee may not order the attachment of any territory unless a minor resides within the boundaries of the territory to be attached.

### Dissolution-Details (cont.)

- The county committee may provide for an effective date other than July 1. If the county committee does not provide a different effective date, the dissolution becomes effective on July 1 following the State Board's approval of the dissolution (assuming it is approved).

### Dissolution-Details (cont.)

- It is recommended by the Department of Public Instruction, for the purpose of completing all paper work and closing out the books after a dissolution, to provide August 15 as the effective date of the dissolution.

### Dissolution-Details (cont.)

- If more than one county committee is involved and the county committees cannot agree upon an order attaching the territory to adjoining districts, the county superintendent shall notify the State Board.
- The State Board shall conduct a public hearing and dissolve and attach the district to adjacent districts in the manner it deems appropriate.

### County Hearing-Details

- **County committee considers evidence regarding:**
  - Value and amount of property held by the dissolving district;
  - Amount of all outstanding bonded and other indebtedness;
  - Distribution of property and assets;
  - Taxable valuation of dissolving district and adjacent districts;

### County Hearing-Details (cont.)

- **County committee considers:**
  - Size, geographical features and boundaries of dissolving and adjacent districts;
  - Number of students in dissolving and adjacent districts;
  - General population of dissolving and adjacent districts;

### County Hearing-Details (cont.)

- **County committee considers:**
  - Name, location, condition, accessibility, and grade levels offered by each schools in dissolving and adjacent districts;
  - Location and condition of roads, highways, and natural barriers in dissolving and adjacent districts;

### County Hearing-Details (cont.)

- **County committee considers:**
  - Conditions affecting the welfare of students in the dissolving and adjacent districts;
  - Boundaries of other governmental entities;
  - Educational needs of communities in the dissolving and adjacent districts;
  - Potential savings in school district transportation and administrative services;

### County Hearing-Details (cont.)

- **County committee considers:**
  - Anticipated future use of buildings, sites, and playfields in the dissolving district;
  - Potential for a reduction in per student valuation disparities between the districts to which the dissolved district is attached;

### County Hearing-Details (cont.)

- County committee considers:
  - Potential to equalize or increase the educational opportunities for students in dissolving and adjacent districts;
  - All other relevant factors.

### Contents of Dissolution Packet Submitted by County Superintendent to State Board

- Table of Contents
- Notice of public hearing
- Minutes of county hearing
- Maps
- Findings of Fact
- Any exhibits submitted at county hearing
- Change in enumeration of children form (SFN 9597)

### Unobligated Cash Balance up to \$10,000 –Held by Auditor

- Any unobligated cash balance not exceeding ten thousand dollars must be held in a separate fund by the auditor for a period of one year after the effective date of the dissolution.
- The auditor shall accept assets and pay unresolved debts attributable to the dissolved district.
- After one year the remaining cash balance shall be distributed among the districts to which the real property was attached.
- NDCC Section 15.1-12-28

### Unobligated Cash Balance over \$10,000– Tax credits or refunds

- Any unobligated cash balance in excess of ten thousand dollars is a credit for property owners within the boundaries of a dissolved district.
- The credit shall be based on the five-year average of total mills levied for education.
- A cash refund may be given in lieu of a tax credit.
- NDCC Section 15.1-12-29