

1 Chairman Heinert and Members of the Committee,

2

3 My name is Mike McNeff, and I serve as Superintendent for Rugby Public School District. I
4 appreciate the opportunity to testify in opposition to House Bill 1540, which proposes the
5 creation of an Education Savings Account (ESA) program that would divert public education
6 dollars away from public schools and into private education accounts.

7

8 As a fiscally responsible, conservative state, North Dakota must ensure that taxpayer dollars are
9 spent with full transparency and accountability. HB 1540 fails to meet that standard. The bill
10 allows public education funding to be transferred to private schools, tutors, online programs, and
11 postsecondary institutions without requiring any of the accountability measures that public
12 schools must follow. Private institutions that receive ESA funds would not be subject to state
13 curriculum requirements, standardized assessments, or financial audits. Public funds should
14 require public oversight, yet this bill allows public dollars to flow into private entities with little to
15 no transparency.

16

17 Public schools educate 90% of North Dakota's students and serve every child, regardless of
18 background, income, or ability. HB 1540 weakens the public education system by reducing
19 resources available to public schools while subsidizing private education options that do not
20 serve all students. The bill would count ESA students in public school enrollment figures while
21 simultaneously pulling funding away from those very schools. This means public schools will be
22 expected to operate under the same mandates, serve the same students, but with fewer
23 resources—placing an unfair burden on rural school districts.

24

25 North Dakota is made up of 170 school districts, with most in rural communities that lack private
26 school options. This bill disproportionately benefits urban areas where private schools exist
27 while doing nothing for the many rural students who do not have access to an alternative
28 school. We should not incentivize urban areas at the expense of rural communities. If the intent
29 is truly to support all students, then any ESA should be structured to provide an equal flat dollar
30 amount for all 127,500 students in North Dakota—whether they attend public, private, or home
31 school. HB 1540, however, prioritizes private education and creates an inequitable funding
32 structure that leaves public school students behind.

33

34 Additionally, HB 1540 raises constitutional concerns. Article VIII, Section 5, and Article X,
35 Section 18, of the North Dakota Constitution explicitly prohibit public funds from being
36 appropriated to sectarian schools. This bill attempts to circumvent those protections by directing
37 state dollars into private education accounts that will inevitably fund religious schools. This is an
38 unconstitutional use of taxpayer funds and a direct violation of the principle that public money
39 should support public institutions.

40

41 If North Dakota is going to invest in education, those funds must be accountable, transparent,
42 and used for the benefit of all students, not just a select few. HB 1540 fails to meet this
43 standard. If the goal is fairness, then ESA funds must be distributed equitably to all students,
44 regardless of their educational setting. I urge you to oppose HB 1540 and any legislation that

45 weakens our public schools by diverting public funds to private education providers without
46 accountability.

47

48 Thank you for your time and consideration. I am happy to answer any questions.