



February 5, 2025

HB 1540 — In favor

North Dakota House of Representatives  
Education Committee

Dear Chairman Heinert and Members of the House Education Committee,

My name is Catrin Wigfall, and I am the education policy fellow for American Experiment North Dakota, a state-based public policy organization. I am writing today in support of HB 1540, which allows for the creation of an education savings account (ESA) program in North Dakota.

Throughout my career in education research, I have studied school choice policies and programs across the country to better understand the various models and learning environments that make up our country's education ecosystem. Throughout my K-12 journey, I had the opportunity to experience a variety of these learning environments — private schools, a microschool, home education, a traditional public school, and a virtual school. I attended a four-year liberal arts college for my bachelor's degree and a two-year community college for my teaching license. I taught at a traditional public school and at a public charter school. Each of these education settings brings something parents value within education.

In fact, survey after survey shows that parents care about and value a lot of different aspects of education, and very few schools can excel at all of them, despite efforts to do so. For some families, a quality education is measured by standardized test scores and teacher credentials. Other families rank safety higher. Some families prefer a project-based program or want a Montessori-inspired model, or a classical education approach. Perhaps extracurriculars are important.

Giving parents the power to choose the learning environment that aligns with their principles and values, regardless of socioeconomic status, has brought important diversity to the modern education movement and is encouraging innovative schools and spaces that include a variety of people, perspectives, and pedagogies, all with a united commitment to a more customized approach to education.

With HB 1540, North Dakota families would be able to customize their child's education and specialize it in a way that best sets him or her up for future success. It allows parents to choose from pre-approved educational services, and encourages partnerships between educational service providers. Educators benefit as well, as families can use the ESA to pay for tutoring outside of school hours or special education therapies and services. A national poll of educators conducted by Morning Consult in October 2024 found that the majority of teachers, including district school teachers, support ESAs.

North Dakotans also support ESAs. An October 2023 survey conducted by Arc Insights found overwhelming support for an ESA program in North Dakota across the political and geographic spectra — 72 percent of K-12 parents, 66 percent of Republicans, 64 percent of Independents, 62 percent of Democrats, 67 percent of respondents in urban areas, 64 percent in rural areas, and 62 percent in suburban areas expressed support for an ESA program.

HB 1540 also removes financial barriers that currently prevent students most in need of new opportunities from accessing an alternative learning environment. Students in need of individualized and specialized services don't always have their needs met in a one-size-fits-all approach. For families seeking something different, school

choice policies like HB 1540 have helped them access schools, therapies, and tutoring that better serve their child.

Under HB 1540, a portion of the state funds allocated for a student to be educated in their home district would follow the child to a nonpublic learning environment and/or be available for other pre-approved education expenses. Even though the public school would no longer be responsible for educating the student, and is relieved of the costs associated with educating the student, 20 percent of the allocated dollars for that student would remain at the public school. The public school would also still receive local dollars for fixed overhead costs.

Even when accounting for public schools' fixed costs, there are long-term savings from a policy like an ESA. A November 2024 study by EdChoice's Fiscal Research and Education Center analyzed 48 school choice programs in 25 states and the District of Columbia and found they saved taxpayers between \$20 billion and \$45 billion since the programs began, or between \$3,300 to \$7,800 per participating student.

The current fiscal note attached to HB 1540 assumes a 100 percent participation rate of eligible students currently in private schools or homeschools during the first year of the ESA program, which has not happened in the history of the modern school choice movement. An analysis by EdChoice of take-up rates (the number of students participating in the program over the number of students eligible for the program) in 27 school choice programs — 13 of which exclusively serve students with special needs — in 19 states found that even after 10 years, most programs had take-up rates below two percent.

For example, among the statewide choice programs analyzed, Maryland's school choice program experienced the highest take-up in Year 1, with 1.25 percent of eligible students participating. For statewide choice programs in their Year 10, Indiana's choice program had the highest take-up rate at 6.95 percent.

Allowing public dollars to follow an individual to a private institution is not a new concept. Consider, for example, how this plays out in higher education. Through Pell Grants, qualifying students across the country are allowed to use federal taxpayer funds to help pay for tuition at private institutions. Through the GI Bill, military undergraduate and graduate students can use the bill's benefits to help pay for a private college or university, graduate school, or training programs. These students are using taxpayer funds to attend private schools in higher ed, and these two programs operate very similar to K-12 school choice programs. Even outside the education space, public dollars can be used at private institutions: consider food stamps programs, Medicaid, and Section 8 Housing.

We trust parents to make decisions for their children in a variety of ways — they choose their child-care provider, their pediatrician, their dentist, and make other decisions that are subsidized by government funds. Trusting parents to make K-12 education decisions for their children outside of the public school setting should not be viewed any differently.

Nine of the top 10 most rural states, as measured by the 2020 U.S. Census rural population share, have publicly-created private school choice programs: Vermont, Maine, West Virginia, Mississippi, Montana, Arkansas, South Dakota, Alabama, and New Hampshire. Kentucky at number 10 and North Dakota at number 11 do not. Rural areas are also seeing a rise in learning environments that become available following the implementation of a school choice policy.

For example, a study of Florida by The Heritage Foundation found that following the state's enactment of a school choice policy 20 years ago, the number of private schools in Florida's 30 most rural counties has nearly doubled. Rural areas are also seeing the rise of microschools and high-quality virtual schools. Arizona is another example of a state where its education choice policies spurred the creation of new learning environments and expanded existing options, including in rural areas.

HB 1540 includes safeguard language preventing new regulations from being imposed on ESA participants. One suggested additional barrier is to create a separate legal category for students who are home educated and participate in the ESA program compared to homeschoolers who choose not to participate. For example, under Arizona's ESA program, ESA students are not classified as "homeschool" students by state law.

At the end of the day, any school choice program is voluntary. If a parent or school is concerned about government regulation or new mandates, they do not need to participate and can continue teaching their children and students as they currently are. A family who can't currently access a nonpublic option for financial reasons and would be interested in opting in to the program should also be able to make that decision. Additionally, there is nothing preventing new regulations and mandates from being imposed on nonpublic learning environments even without a school choice policy.

In conclusion, HB 1540 is not an "either/or" proposal — either support one type of learning environment/system or support alternatives — but a "both/and" approach. Ninety percent of empirical studies have found positive effects of a school choice program on the test scores of public school students who don't participate, and a majority have also found positive effects on program participants' test scores.

HB 1540 provides families access to meaningful new opportunities while taking no existing options away, it does not impose new mandates on its participants, and it does not reduce funding for our public schools. I respectfully ask for a Do Pass.

Thank you for the opportunity to submit testimony in support of HB 1540.

Best,



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American Experiment North Dakota