

1 North Dakota School Study Council Testimony in Opposition to HB 1540 – Education
2 Saving Accounts

3 Chairman Heinert and Members of the House Education Committee,

4 Thank you for the opportunity to provide testimony on HB 1540. My name is Paul
5 Stremick and I represent the 18 schools in the North Dakota School Study Council. I
6 am here today to express my strong opposition to HB 1540, which proposes the
7 establishment of Education Savings Accounts (ESA). While the concept of school
8 choice may appear beneficial on the surface, this bill presents significant concerns
9 regarding financial accountability, fairness, and the fundamental principles of North
10 Dakota's education system.

11 Accepting Public Dollars Means Accepting Public Accountability

12 First and foremost, HB 1540 lacks any substantial accountability measures for the \$243
13 million in public funds that would be diverted to private education. As responsible
14 stewards of taxpayer dollars, we must ensure that public funds are used effectively,
15 transparently, and with rigorous oversight. This proposal does not align with North
16 Dakota's conservative values of fiscal responsibility and accountability. Public schools
17 operate under strict regulations to ensure that funds are spent wisely and in the best
18 interest of students. ESA funds, however, would be distributed without the same level of
19 scrutiny, leading to potential misuse and inefficiencies.

20 Furthermore, HB 1540 creates unfair competition for public schools. While private and
21 alternative educational institutions would benefit from these funds, they are not held to
22 the same standards as public schools. Public schools must comply with state laws,
23 educational benchmarks, special education mandates, and standardized assessments
24 to ensure quality education for all students. In contrast, private schools and other
25 educational entities benefiting from ESA funds would not be required to follow these
26 same rules, creating an uneven playing field that disadvantages public education while
27 using public money to support institutions that may selectively admit students. During
28 my time in private education, I questioned the superintendent about why our school
29 performed slightly better than our public school counterparts, despite having similar
30 student populations. His response was clear: parents who actively choose to send their
31 children to private schools tend to be more involved in their child's education. This level
32 of engagement contributes significantly to student success.

33 Another significant issue is that several public school districts in North Dakota already
34 no state funding through the current funding formula, yet they must still adhere to all
35 state education laws and mandates. HB 1540 exacerbates this inequity by redirecting
36 additional state resources to private education while failing to address the disparities in
37 funding for public schools. If the state mandates compliance with educational

38 regulations, it must also ensure that adequate funding is provided to all public districts,
39 rather than diverting essential resources to unregulated private entities.

40 Public schools are the foundation of our communities, serving all children regardless of
41 background, ability, or socioeconomic status. HB 1540 risks undermining this critical
42 institution by prioritizing unaccountable private education funding over the needs of our
43 public school system. North Dakota students deserve a well-funded, transparent, and
44 equitable education system that supports all learners, not just those who can access
45 alternative schooling options.

46 I urge you to reject HB 1540 and instead focus on strengthening our public education
47 system to ensure accountability, fairness, and responsible stewardship of taxpayer
48 dollars. Thank you for your time and consideration. I am happy to answer any questions
49 or provide further information as needed.

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51 Dr. Paul Stremick