

1 Testimony in Opposition to House Bill 1590

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3 Chairman Heinert and Members of the Committee,

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5 My name is Mike McNeff, and I serve as Superintendent for Rugby Public School District. I
6 appreciate the opportunity to testify in opposition to House Bill 1590, which proposes the
7 creation of a Student Education Services Account (SESA) pilot program that would divert public
8 funds to private education expenses with little oversight, accountability, or equitable distribution.

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10 As a fiscally responsible, conservative state, North Dakota must ensure that taxpayer dollars are
11 spent with full transparency and accountability. HB 1590 fails to meet this standard. The bill
12 creates an account structure where parents may deposit up to \$2,000 per child, and the state
13 will match 50% of that amount, up to \$1,000 per year, per child. These funds can then be used
14 for private school tuition, tutoring services, online education programs, educational camps, and
15 even medical appointments. However, there is no requirement that these funds be used for core
16 academic instruction, nor is there a mechanism to ensure they improve educational outcomes.

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18 Public schools educate 90% of North Dakota's students and serve every child, regardless of
19 background, income, or ability. HB 1590 creates an inequitable system where families who can
20 afford to deposit money into the account will benefit the most, leaving out those who cannot.
21 This is not a universal education program—it is a subsidy that disproportionately benefits
22 families with disposable income while pulling funds away from public education.

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24 Further, HB 1590 raises significant concerns about financial oversight. Public schools undergo
25 strict financial audits and reporting requirements to ensure taxpayer dollars are spent
26 responsibly. This bill, however, creates an entirely new funding stream with vague financial
27 controls, leaving room for misuse and inefficiency. The bill allows parents to use taxpayer-
28 backed funds on a wide variety of expenses, yet there is no requirement that participating
29 schools or vendors adhere to state standards, financial transparency, or non-discriminatory
30 admissions policies. Public funds should require public oversight, and HB 1590 fails to provide
31 any meaningful mechanism for ensuring accountability.

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33 Additionally, HB 1590 does nothing to address the needs of rural students. The vast majority of
34 North Dakota's 170 school districts are in rural areas where private school options and
35 alternative education programs do not exist. This bill would disproportionately benefit families in
36 urban centers, leaving rural students with no meaningful way to access these funds. We should
37 not incentivize urban areas at the expense of rural communities. If the intent is truly to support
38 all students, then any funding program should be structured to provide the same flat dollar
39 amount for all 127,500 students in North Dakota—whether they attend public, private, or home
40 school. HB 1590, however, prioritizes private education options while leaving public school
41 students behind.

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43 Finally, HB 1590 creates a pathway for public funds to flow into private and religious schools,
44 raising serious constitutional concerns. Article VIII, Section 5, and Article X, Section 18, of the

45 North Dakota Constitution explicitly prohibit public funds from being appropriated to sectarian
46 schools. By creating a government-funded account that can be used for private religious
47 education, this bill attempts to circumvent these constitutional protections.

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49 If North Dakota is going to invest in education, those funds must be accountable, transparent,
50 and used for the benefit of all students, not just a select few. HB 1590 fails to meet this
51 standard. If the goal is fairness, then these funds must be distributed equitably to all students. I
52 urge you to oppose HB 1590 and any legislation that diverts public funds to private education
53 providers without accountability.

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