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## **HB 1607 Testimony of Amy De Kok House Education Committee February 5, 2025**

Chairman Heinert and members of the House Education Committee, thank you for the opportunity to provide testimony today. My name is Amy De Kok, and I serve as the executive director for the North Dakota School Boards Association. I am here to express our opposition to HB 1607, which proposes the establishment of the Educational Empowerment Account voucher program. While the bill purports to offer educational choice, it ultimately undermines public education by diverting critical funds away from our public schools, which serves more than 90% North Dakota students.

## **Diversion of Public Funds**

HB 1607 effectively diverts public education funds to private and nonpublic entities without adequate oversight. The bill applies only to students who attend nonpublic schools and calls for the transfer of the entire per-pupil payment for each such student to a debit card for use by the parent. By providing state-funded debit cards to parents for a range of educational expenses, the bill diminishes the resources available to public schools, which are already struggling with limited budgets and increasing demands. Every dollar allocated to an educational empowerment account is a dollar removed from the public school system, reducing its ability to support teachers, special education programs, and essential student services. Notably, only 9% of K-12 students in North Dakota attend private schools approximately 11,556 students—while 116,724 students are enrolled in public schools. This bill disproportionately impacts the vast majority of students who rely on public education.

Voucher programs, like HB 1607, do not simply shift funds that would have been spent on public school students to pay for their private education. When states establish voucher programs, families already paying for or planning to use private education often participate. Data from several states shows that 70-80% of their voucher students were already attending private schools. This means that public dollars are subsidizing private education for families who were already covering these costs, rather than expanding educational opportunities for low-income students.

Public schools, which serve the vast majority of students, have substantial "fixed costs." Because students who take vouchers exit different schools, grade levels, and classrooms, public school districts are not able to proportionally reduce facilities, staff, programs, and other fixed costs to fully offset the loss of funding that is diverted to voucher programs. HB 1607 does nothing to change this.

Private schools can refuse to admit or provide adequate services for students with disabilities, English learners, and others who require increased resources for an equitable education, meaning these students are more frequently educated in public schools. Parents may also return their children to public schools when they realize they are not receiving the essential services and legal protections available there. Public schools require increased resources to serve students with elevated needs, even as public funds are diverted to pay for vouchers.

## **Lack of Accountability and Oversight**

The bill establishes a mechanism for distributing taxpayer dollars with minimal accountability measures. While the superintendent of public instruction is authorized to conduct random audits and investigate fraud, the bill lacks a comprehensive framework to ensure that funds are used strictly for educational purposes. The potential for misuse, coupled with limited regulatory oversight, creates opportunities for waste, fraud, and abuse.

Voucher programs that direct public dollars to private institutions, as HB 1607 does, should be held to the same accountability measures as public schools. However, voucher programs often lack essential quality standards. Such programs actively resist public accountability and transparency measures, leading to gaps in data collection, academic standards, and fiscal responsibility. Voucher programs have been prone to fraud and mismanagement, as demonstrated in investigations of similar programs in other states. For example, Florida's voucher program allowed schools to hire teachers without college degrees and falsify fire safety and health records, while an Arizona Auditor General report found that hundreds of thousands of public dollars intended for vouchers were misused on fraudulent purchases. Without stringent oversight, HB 1607 risks creating similar vulnerabilities in North Dakota's education system.

## **Impact on Rural Communities**

Rural school districts will be disproportionately affected by this legislation. Many rural areas have few or no private schools, meaning the tens of thousands of North Dakota students in rural districts would see little to no benefit from a voucher program. Although rural students would be unable to utilize vouchers to attend private schools, a voucher program would still drain tens of millions of dollars per year from the state's public school system. Rural schools serve as the heart of their communities and already

face unique strains on their resources. The reduction in funding caused by this bill would further burden these schools, leading to potential staff reductions, program eliminations, and school closures, ultimately harming the students and families who rely on them the most.

For the reasons outlined above, I urge you to reject HB 1607. Instead of funneling public dollars into private education accounts, we must prioritize investment in our public school system, ensuring that all students—regardless of their socioeconomic status or geographic location—continue to receive a quality education.

Thank you for your time and consideration.