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## **HB 1540**

### **Testimony of Amy De Kok Senate Education Committee March 17, 2025**

Chairman Beard and members of the Senate Education Committee, my name is Amy De Kok, and I am the Executive Director for the North Dakota School Boards Association (NDSBA). NDSBA represents all 168 public school districts and their governing boards. I am here on behalf of our members to express strong opposition to HB 1540, which proposes the creation of an Education Savings Account (ESA) voucher program. While the bill has been amended to remove benefits for home education students and reduce the voucher amount from 80% to 40% of the average per-pupil state funding, the fundamental concerns remain the same. This bill still diverts public funds to private schools without the accountability and transparency measures that public schools must adhere to.

#### **North Dakotans Consistently Oppose Vouchers**

North Dakota voters and policymakers have consistently opposed voucher programs, regardless of how they are framed—whether called "education savings accounts," "scholarships," or "school choice opportunities." These programs all share the same effect: they use public funds to subsidize private education, rather than strengthening public schools that serve all students.

#### **Private School Vouchers Do Not Offer Real Choice**

Proponents of HB 1540 argue that it expands "school choice," but private school voucher programs do not actually provide families with real educational choice. North Dakota parents already have the ability to send their children to private schools if they choose to do so. However, private schools in North Dakota have the choice of which students they accept. Unlike public schools, which are legally required to serve all students, private schools can and do reject students for a variety of reasons—including disabilities, special education needs, English proficiency, or socioeconomic status.

Even with a voucher, most North Dakota parents still cannot afford the full cost of private school tuition, which often exceeds the amount covered by an ESA. Families who struggle to pay for transportation, uniforms, extracurricular fees, and other required costs will still be unable to access

private education, making this program a subsidy for families who can already afford private school rather than an expansion of true educational opportunities.

### **Public Dollars Should Fund Public Schools**

Our state's responsibility is to ensure that public dollars support public education—schools that must serve all students, regardless of ability, background, or financial status. Unlike public schools, private schools that receive voucher funds are not required to accept all students. This bill provides public funding to private institutions that are not bound by the same obligation to provide an equitable education for all children.

### **Vouchers Drain Critical Resources from Public Schools**

HB 1540 proposes that 40% of the state per-student funding follows students into private schools. This still represents a substantial reduction in funding for public schools, which must continue to educate the vast majority of students (currently 93% of the state's K-12 students), including those who return after an unsuccessful private school experience. This loss of funding will directly impact the quality of education provided in public schools, particularly in rural areas where alternative schooling options are scarce.

Voucher programs do not simply shift funds that would have been spent on public school students. In other states with voucher programs, the majority of participants were already attending private schools, meaning that public dollars are subsidizing families who were already covering these costs. Instead of expanding access to education, this bill would prioritize private school tuition reimbursements over investments in public education.

### **Vouchers Do Not Improve Student Achievement**

Repeated studies of voucher programs across the country show that vouchers do not result in better test scores for students, and, in many cases, have led to declines in academic achievement.

- In Washington, D.C., students who had been offered a voucher to attend a private school scored lower in both math and reading in comparison to their peers who stayed in public school.
- A Louisiana voucher study found that, on average, participating voucher students' performance in both reading and math dropped for three consecutive years. The declines were significant—the average math student at the 50th percentile dropped to the 34th percentile after three years in the program.
- In Ohio, researchers found large negative effects in both mathematics and reading for students using vouchers compared to public school students. The academic losses among

voucher students were far greater than any gains experienced by students remaining in public schools.

- In Indiana, researchers found that students who used vouchers to switch from public to private schools were more likely to score lower in math, with no significant improvement in reading scores.

These findings are consistent across multiple states and demonstrate that voucher programs fail to deliver on their promise of improved academic outcomes. Instead, they put students at risk of lower achievement while diverting essential resources from public schools.

#### **Lack of Accountability and Oversight**

Public schools in North Dakota operate under strict accountability measures. They must follow state-approved curricula, administer standardized assessments, and publicly report student achievement data. In contrast, HB 1540 provides ESA funds to private schools and education service providers that are not subject to these requirements.

There is no mechanism to ensure that students receiving state-funded private education meet minimum academic benchmarks. The bill contains only minimal financial oversight, relying on "random audits" but failing to mandate comprehensive, independent financial reviews. In states with similar programs, ESA funds have been misused for non-educational expenses, including vacations, luxury purchases, and even fraudulent schemes. This bill does not include sufficient safeguards to prevent waste and abuse of taxpayer dollars.

Additionally, HB 1540 does not include a cap on tuition increases for schools that accept students utilizing the program. This creates the risk that private schools will raise tuition to match or exceed the voucher amount, making private education even more expensive and further limiting access for lower-income families. This pattern has been observed in other states with voucher programs, where private school tuition increased at a much higher rate than inflation, ultimately benefiting private institutions more than students and families. Without a tuition cap, the program could quickly become a blank check for private schools while still leaving many families unable to afford the full cost of attendance.

#### **Vouchers Benefit Urban Areas at the Expense of Rural Communities**

North Dakota's rural communities will see little to no benefit from this program. Private schools are largely concentrated in urban areas, meaning that rural families are unlikely to have access to the same voucher-funded options. However, all taxpayers—including those in rural areas—will still be required to fund this program. Public schools, which serve as the backbone of rural communities, will bear the financial burden of this policy without any corresponding benefit to their students.

### **A Costly, Unsustainable Policy**

While HB 1540 reduces the per-student allocation compared to the previous version, it still represents a significant financial burden on the state. The bill appropriates \$40 million for the biennium to fund the ESA program, a number that will likely grow as enrollment increases over time. Other states with similar programs have seen costs spiral out of control, forcing cuts to public education budgets to sustain unsustainable voucher expenditures.

### **North Dakota Public Schools are NOT Failing**

Despite national rhetoric about failing public schools, this is not the case for North Dakota's public schools. The 2024 National Assessment of Educational Progress (NAEP) results confirm that our students rank among the top performers in the nation—a direct result of strong public schools, dedicated educators, and legislative investment.

#### Mathematics Excellence:

- 8th Grade: #2 in the Nation
- 4th Grade: #3 in the Nation

#### Reading Success:

- 8th Grade: #12 in the Nation
- 4th Grade: #7 in the Nation

North Dakota students also compete globally. Our 8th-grade math scores rank in the top 10 worldwide, outperforming countries like Canada and Germany. Our 4th-grade math and reading scores rival the best education systems internationally. This success doesn't happen by chance—it happens because of public investment in public schools. Rather than diverting funds to private school vouchers, we must continue strengthening the system that is already delivering outstanding results for North Dakota's students.

### **Conclusion**

HB 1540 does not provide a responsible or equitable solution for improving education in North Dakota. Instead, it diverts public funds away from public schools—institutions that are required to serve all students—while subsidizing private education with inadequate oversight. Additionally, national research consistently demonstrates that voucher programs do not improve student achievement and, in many cases, lead to worse academic outcomes.

Furthermore, this bill does not create meaningful school choice for families. North Dakota parents already have the right to send their children to private schools, but private schools maintain the right to reject students, leaving many families without a viable private school option—even if they receive a

voucher. Without a cap on tuition increases, this program could make private education even less accessible to the families who need the most support.

This committee should reject HB 1540 in favor of policies that prioritize strengthening public schools, ensuring they have the resources needed to serve all North Dakota students effectively.

I urge you to issue a DO NOT PASS recommendation on HB 1540. Thank you for your time and consideration. I am happy to answer any questions.