

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

3 Chairman Beard and Members of the Senate Education Committee,

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

11 First and foremost, HB 1540 lacks any substantial accountability measures  
12 for the \$36 million (which is expected to double in the next biennium) in  
13 public funds that would be diverted to private education. As responsible  
14 stewards of taxpayer dollars, we must ensure that public funds are used  
15 effectively, transparently, and with rigorous oversight. This proposal does  
16 not align with North Dakota’s conservative values of fiscal responsibility  
17 and accountability. Public schools operate under strict regulations to ensure  
18 that funds are spent wisely and in the best interest of students. ESA funds,  
19 however, would be distributed without the same level of scrutiny, leading to  
20 potential misuse and inefficiencies.

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

35 involved in their child's education. This level of engagement contributes  
36 significantly to student success.

37 Another significant issue is that several school districts in North Dakota  
38 already receive no state funding through the current funding formula, yet  
39 they must still adhere to all state education laws and mandates. HB 1540  
40 exacerbates this inequity by redirecting additional state resources to private  
41 education while failing to address the disparities in funding for public  
42 schools. If the state mandates compliance with educational regulations, it  
43 must also ensure that adequate funding is provided to all public districts,  
44 rather than diverting essential resources to unregulated private entities.

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

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

57 

58 Dr. Paul Stremick