

1 Testimony in Opposition to Senate Bill 2303

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3 Chairman Beard 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 Senate Bill 2303, which seeks to create an  
7 Education Savings Account (ESA) program that would divert public education funds to private  
8 schools, homeschooling, and other non-public education services without meaningful oversight,  
9 transparency, or accountability.

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11 As a fiscally responsible, conservative state, North Dakota must ensure that taxpayer dollars are  
12 spent efficiently and effectively. SB 2303 fails to meet this standard. Under this bill, the Bank of  
13 North Dakota would be required to deposit 80% of per-student state funding into an ESA for  
14 participating students, while 20% of the funding would remain with the student's resident public  
15 school district. This means that public schools—which are responsible for serving all students,  
16 regardless of ability, income, or background—would lose the vast majority of state funding for  
17 students who opt into the ESA program.

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19 This bill creates an inequitable system where public dollars are used to fund private education  
20 without requiring the same level of accountability, oversight, or transparency that public schools  
21 must uphold. Private schools that receive ESA funds would not be required to follow state  
22 academic standards, administer standardized assessments, or provide financial audits to the  
23 public. Additionally, these private institutions can selectively admit students, potentially leaving  
24 behind those with disabilities, behavioral challenges, or other educational needs that public  
25 schools are legally required to serve.

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27 Furthermore, SB 2303 disproportionately benefits urban families while failing to support rural  
28 students. The majority of North Dakota's 170 school districts are in rural communities that lack  
29 private school options. This bill creates a scenario where urban families with access to private  
30 schools and alternative education providers benefit the most, while rural students have no viable  
31 options for using these funds. We should not incentivize urban areas at the expense of rural  
32 communities. If the intent is truly to support all students, then any ESA program should provide  
33 equal funding for all 127,500 students in North Dakota—regardless of their educational setting.  
34 SB 2303, however, prioritizes private education and disadvantages public school students.

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36 This bill also raises serious constitutional concerns. North Dakota's Article VIII, Section 5, and  
37 Article X, Section 18 explicitly prohibit the use of public funds for sectarian schools. By directing  
38 state dollars into private education accounts that can be used for religious school tuition, SB  
39 2303 attempts to circumvent these constitutional protections and could invite legal challenges.

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41 Another major flaw in SB 2303 is the lack of strong financial oversight and safeguards against  
42 misuse. While the bill states that the Bank of North Dakota will conduct random audits, it does  
43 not require systematic financial reporting from participating families or institutions. Without clear,  
44 enforceable guidelines, there is significant potential for fraud and misuse of taxpayer dollars.

45 Public education funding should come with clear accountability measures to ensure funds are  
46 being used appropriately and effectively.

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48 If North Dakota is going to invest in education, public dollars should remain accountable,  
49 transparent, and equitably distributed for the benefit of all students—not just a select few. SB  
50 2303 fails to meet this standard by funneling public money into private institutions with no  
51 guarantee of quality, fairness, or financial responsibility. Instead of weakening our public school  
52 system, we should focus on strengthening public education to ensure every student—regardless  
53 of where they live—receives a high-quality education.

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55 For these reasons, I urge you to oppose SB 2303 and any legislation that diverts public  
56 education funds to private institutions without accountability, transparency, or fairness.

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