



# Kidder County Public School District#1

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## Oppositional Testimony on Senate Bill 2400: Education Savings Accounts (ESAs)

My name is Rick Diegel and I am the superintendent of schools at the Kidder County School District in Steele, North Dakota. This testimony is to voice my strong opposition to Senate Bill 2400, which proposes establishing Education Savings Accounts (ESAs) in North Dakota.

As a school leader, I see firsthand how every dollar impacts our students, teachers, and community. While the idea of giving families more educational choices might sound appealing, the reality is that this bill threatens the quality and stability of our public schools—especially in rural areas like Kidder County.

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### 1. Diverting Funds from Public Schools and Other Vital Areas

Public schools are the backbone of our communities, particularly in rural areas where we don't have private school options nearby. Senate Bill 2400 would take funds away from our public schools to support private education, but the majority of families in Kidder County won't even have access to these alternatives.

Our school district operates on a careful budget, and losing state funding—no matter how small it might seem—means cutting essential programs, increasing class sizes, or reducing staff. This bill threatens to undermine the resources we rely on to provide a quality education for *all* students in our district.

The argument may be made that these funds may not go to public education anyway, as it was last year in HB 1532 on the House floor, and that was “only” \$24 million. Though that may be true, the fact is that a minimum \$120 million will be diverted from somewhere. Whether that be from public schools, child protection services, roads and bridges or ambulance and law enforcement services, there will be \$120 million less to distribute.

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### 2. Lack of Oversight and Accountability

Public schools are held to high standards. We're accountable to the community, the state, and most importantly, to our students. We follow strict guidelines for curriculum, teacher certification, and student performance. Through various laws this body has created, we live in a world where transparency occurs every day. However, SB 2400 does not require private schools or educational providers receiving ESA funds to meet the same

standards, and has very little transparency. If being held accountable and transparency on how we operate aren't important, then I challenge you to remove all of our accountability and transparency rules, such as open records and open meetings regulations.

Without clear oversight, there's no guarantee that taxpayer dollars will be spent on quality education. Public funds should come with public accountability, and this bill simply doesn't ensure that.

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### **3. Unfair to Rural Communities**

In Kidder County, and many other rural areas across North Dakota, families don't have access to private schools or alternative education providers. This bill creates a system where families in larger cities may benefit, while rural communities are left behind with fewer resources and no real "choice."

Our public schools are not just educational institutions—they are community hubs. When public schools suffer, the whole community feels the impact. Senate Bill 2400 would widen the gap between urban and rural education, making it even harder for rural schools like ours to provide the opportunities our students deserve.

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### **4. Fiscal Responsibility and Long-Term Impact**

Senate Bill 2400 is not a fiscally responsible solution. The *minimum* estimated cost of this program is \$120 million, a substantial amount that will be diverted from our public education system. Once ESA programs are introduced, they tend to expand over time, leading to even more state funds being redirected from public schools.

Since North Dakota seems to be a follower of other states in this area, I would expect that if public monies can be used to pay for private school tuition, you will soon see significant increases to private school tuition. According to "The Hechinger Report" article of 2023 entitled "Arizona gave families public money for private schools. Then private schools raised tuition", it cited that after Arizona provided public dollars to attend private schools, nearly half of private schools increased their tuition by over 10%.

This financial strain could force future cuts to essential services or require higher taxes to make up the difference. Other states that have implemented similar programs have not seen consistent improvements in student outcomes. We should not risk the stability of our public education system for a program that lacks clear, proven benefits.

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### **Conclusion**

As a school leader, my priority is ensuring every student in Kidder County has access to a quality education. Senate Bill 2400 jeopardizes that by diverting funds from our public schools, reducing accountability, and creating inequities between urban and rural communities—all at a *minimum* cost of \$120 million to North Dakota taxpayers.

I strongly urge you to oppose Senate Bill 2400. Thank you for your time.