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**SB 2400**

**Testimony of Amy De Kok  
Senate Education  
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Chairman Beard and members of the Senate Education, my name is Amy De Kok. I am the executive director of the North Dakota School Boards Association. NDSBA represents all 168 North Dakota public school districts and their governing boards. I am here to testify in opposition to SB2400, which proposes the establishment of an Education Savings Account (ESA) voucher program. While the bill claims to provide educational choices for families, it will ultimately divert critical public funds away from our public schools, which serve the vast majority of North Dakota's students, while lacking the accountability necessary to ensure responsible use of taxpayer dollars.

**Diversion of Public Funds**

Vouchers take on many different labels, often disguised under names such as "Opportunity Scholarships," "Tax Credit Scholarships," "Education Reimbursement Programs," "Tuition Tax Credits," "Education Empowerment Programs," and, in this case, "Education Savings Accounts." Despite their various names, all of these programs share a common outcome: diverting public funds away from public schools and other community resources to subsidize private schools, private entities, or homeschooling expenses. Regardless of terminology, the result is a weakening of the public education system and the reallocation of taxpayer dollars toward programs with little oversight or equitable access.

SB 2400 is a voucher program that directs taxpayer dollars to subsidize private and nonpublic education without sufficient oversight. The bill allows parents of eligible students to receive public funds for various educational expenses, including tuition at nonpublic schools, private tutoring, and other educational services. However, this program will likely disproportionately benefit families already paying for private education rather than expanding opportunities for low-income students. Data from several states show that 70-80% of voucher and ESA participants were already attending private schools before receiving public funds. This means that rather than creating new educational opportunities, the bill primarily subsidizes families who were already affording private education.

Even if we assume that SB 2400 will lead to more choice, public schools, which serve the overwhelming majority of North Dakota students, operate with significant fixed costs, including staffing, transportation, and infrastructure. Because students using ESAs will exit various schools, grades, and classrooms, districts cannot proportionally reduce expenses to offset the loss of funding. The result is increased strain on public schools, which are left to operate with fewer resources while still serving the most vulnerable student populations.

Research shows that states that enact voucher programs tend to funnel greater amounts of public dollars to these programs over time, instead of investing in their public schools. A report examining voucher programs in seven states from fiscal year 2008 through fiscal year 2019 found that each state dramatically increased its expenditure of public funds on voucher programs and also reduced efforts to fund public education. For example, Arizona increased voucher spending by 270 percent from 2008 to 2019 and decreased per-pupil public education funding by 5.7 percent during that time period. The state's ESA voucher program alone, which now has universal eligibility, is projected to cost over \$500 million this year.

Voucher programs like SB 2400 threaten vital funding for public schools but are not shown to improve student outcomes or promote student rights. By contrast, evidence-based and cost-effective strategies, such as increasing educators' pre-service training, expanding access to high-quality early childhood education, and improving wraparound services and enrichment opportunities, have been shown to increase student achievement. Furthermore, only public schools must welcome all students—no matter their background or personal characteristics—and provide the services and supports that allow them to access a constitutionally adequate education.

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

While SB 2400 includes some accountability provisions, such as requiring compliance with 42 U.S.C. 1981 (which addresses discrimination based on race), it lacks essential transparency and oversight measures for nonpublic schools receiving public funds. There is no clear requirement for these schools to submit audit reports to the state or to comply with open meetings and open records requirements, both of which are requirements for public schools. Ensuring transparency in how public funds are utilized is crucial, and any recipient of taxpayer money should be held to similar accountability standards. Additionally, the bill does not prevent nonpublic schools from selectively admitting students based on factors such as academic performance, special education needs, or other criteria that public schools must accommodate. This lack of inclusivity creates an imbalance where public schools are required to serve all students, while nonpublic institutions benefiting from public funds are not held to the same standards.

Similar programs in other states have been found to be vulnerable to fraud and mismanagement. Investigations into Florida's voucher system uncovered instances of schools hiring teachers without proper credentials and falsifying safety records. Arizona's Auditor General discovered that hundreds of thousands of public dollars meant for education were misused on fraudulent or inappropriate purchases. Without strong safeguards, North Dakota's taxpayers risk funding a program that lacks meaningful oversight and transparency.

### **Impact on Rural Communities**

Rural school districts will likely bear the brunt of this legislation. Most rural communities in North Dakota do not have access to private schools, meaning students in these areas will have little to no opportunity to benefit from ESAs. However, these same communities will still suffer funding losses as state dollars are diverted away from their public schools to support ESA accounts. This could lead to staff layoffs, program cuts, and even school closures, weakening the education system in rural areas and exacerbating existing disparities.

### **Equity Concerns and Student Exclusion**

Unlike public schools, private schools accepting ESA funds are not required to serve all students. Private institutions can refuse admission or limit services for students with disabilities, English learners, and other populations requiring additional resources. This creates an uneven playing field where public schools must continue to educate all students—often with fewer resources—while ESA-funded institutions can selectively admit students. Additionally, parents may return their children to public schools after discovering that private institutions do not provide the necessary support services, further burdening public schools without returning the funding that was initially diverted.

For the reasons outlined above, I strongly urge you to reject SB 2400. Instead of diverting funds to an ESA program that primarily benefits private institutions with little oversight, we should focus on strengthening our public schools to ensure that all North Dakota students—regardless of socioeconomic background or geographic location—receive a quality education.

Thank you for your time and consideration. I respectfully request that this testimony be entered into the record and given full consideration as you deliberate on SB 2400.