

2021 HOUSE FINANCE AND TAXATION

HB 1281

2021 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Room JW327E, State Capitol

HB 1281
1/18/2021
AM

A bill relating to an income tax credit for taxpayers whose children receive nonpublic school or home education.

Chairman Headland opened the hearing at 11:17am. Roll call for attendance:

Representatives	Present
Representative Craig Headland	Y
Representative Vicky Steiner	Y
Representative Dick Anderson	Y
Representative Glenn Bosch	Y
Representative Jason Dockter	Y
Representative Sebastian Ertelt	Y
Representative Jay Fisher	Y
Representative Patrick Hatlestad	Y
Representative Zachary Ista	Y
Representative Tom Kading	Y
Representative Ben Koppelman	Y
Representative Marvin E. Nelson	Y
Representative Nathan Toman	Y
Representative Wayne A. Trottier	Y

Discussion Topics:

- Income tax credit for private or home education
- \$2,000 credit per student

Representative Ertelt introduced the bill (#1296).

Senator Larsen gave oral testimony in support.

Tom Tracy, retired Superintendent of the Kensal Public School, testimony in support (#1222).

Jeff Ringstad, Administrator for Our Redeemer's Christian School in Minot, testified orally in support.

Nick Archuleta, President of North Dakota United, testimony in opposition (#1230).

Dr. Aimee Copas, Executive Director for the North Dakota Council of Educational Leaders, testified in opposition (#1021).

Amy DeKok, North Dakota School Boards Association, spoke in opposition.

Michael Heilman, Executive Director for North Dakota Small Organized Schools, testified in opposition (#1065).

Chairman Headland closed the hearing at 12:26pm.

Additional written testimony:

Gerald Vetter, President of the State Association of Nonpublic Schools, testimony in support (#1013).

Christopher Dodson, Executive Director for the North Dakota Catholic Conference, testimony in support (#1009).

Mark Jorritsma, Executive Director for Family Policy Alliance of North Dakota, testimony in support (#976).

Mary Brucker, Committee Clerk

Testimony in Support of House Bill 1281

Rep. Sebastian Ertelt

ND District 26

Chairman Headland and Fellow Members of the Finance and Taxation Committee,

For the record, I am Representative Sebastian Ertelt representing North Dakota District 26, which includes all of Sargent County, the eastern half of Dickey County, the southern half of Ransom County, and the western half of Richland County.

House Bill 1281 would provide an income tax credit for either non-public or home education. The provisions are a \$2,000 credit per student, limited by duration of enrollment and individual tax liability, with a three year carry forward period.

While state public education is funded in part by property tax, the vast share is from state revenue including individual income tax. This is why the proposal is for an income tax credit. Keep in mind that a tax credit is a recognition that the tax is not due. These are not public dollars – they belong to the individual.

At a school district's discretion, home educated students may be enrolled part-time at a public school. If the student receives nonpublic or home education for less than the entire school year, but more than half the year, the credit is reduced by 50%. If the student receives nonpublic or home education for less than half of the school year then no credit is available.

The carry forward period gives a better chance for those with a lower tax liability to claim the credit so that those with a higher tax liability are not given an advantage.

House Bill 1281 seeks to give credit where credit is due. You will likely here from opponents of the bill, that there should be no reward or incentive for such education, because it is a parent's choice. I agree insofar as it is a parent's choice – a choice which saves taxpayers over \$10,000 each year. A choice that is not one of convenience, but one of deep care and high cost.

At the time of preparing this testimony, there has not been a fiscal note attached to this bill. Any fiscal note will pale in comparison to the amount that non-public and home education save the state every year. There are approximately 10,000 students enrolled in non-public and home schools in grades K through 12. The base state aid payment per student is \$10,036. That is over \$100 Million in savings EVERY YEAR! The reality is that nonpublic and home education has saved the state taxpayers billions of dollars. It is time for the legislature to recognize that.

But more than a choice which saves taxpayers a substantial amount of money, the education of a child is an inherent right and duty of a parent. Should parents who choose non-public or home education instead of public school be punished for exercising that right and duty? That is what the legislature has been telling and doing to these parents and their children for years. Let's stop punishing parents for exercising their right and fulfilling their duty to educate their children.

Chairman Headland and fellow Members of the Finance and Taxation Committee, I thank you for your time today and urge a unanimous DO PASS recommendation on House Bill 1281.

Tom J. Tracy

818 17th St. NE

Jamestown, ND 58401

Email: tjtracy@daktel.com

Cell: 701.320.9817

To: Finance and Taxation Committee

Date: January 18 2021

RE: Reasons to pass House Bill 1281

CREATES COMPETITION:

We are witnessing at the national level that monopolies in technology are not always in our best interests. There seems to be some bi-partisan support for this idea. In a sense public education has a monopoly over student learning. More Christian, and private schools would create more competition which would benefit ALL students in ALL schools.

How would all students benefit?

Higher test scores and possibility a greater emphasis on character building, citizenship and patriotism.

IS IT FAIR TO USE TAX DOLLARS TO SUPPORT NON-PUBLIC EDUCATION?

There is probably more emphasis then there has ever been for “choice” in our society. In some areas this demand for choice has resulted in tax dollars being used some times in unprecedented ways.

The latest Federal budget has many, many examples of how taxpayer dollars are spent on things that many people might feel allow a greater degree of choice.

Tax dollars spent on greater choices for parents who wish to send their children to a Christian or private school might be one of the less controversial examples.

SOME PEOPLE MIGHT TEND TO THINK THAT ALLOWING TAX CREDITS FOR PARENTS TO SEND THEIR CHILDREN TO NON-PUBLIC SCHOOLS IS NOT FAIR AND TAKES MONEY AWAY FROM EDUCATING THE MAJORITY OF STUDENTS.

All parents who send their children to public schools who own property pay twice...through local property taxes and state taxes. Some might say this system is unfair.

If a district is “property rich” do those students living in that district have an unfair advantage over those who live in a “property poor” district? Probably. Is that “fair”?

Each public school also receives foundation aid for each student enrolled in that school. If more and more students attend private or Christian schools less foundation aid goes to those schools because less money is needed because there are fewer students.

THE FUTURE IN PUBLIC SCHOOLS.....

There are developments occurring in public schools nationwide that are causing many parents a great deal of concern. One has to do with gender identification. There are public schools that are doing away with automatically calling boys boys and girls girls when they enter school until their “true gender” can be determined. There are more than a few situations where mis directed gender identification has resulted in blatant unfairness in girls’ sports.

There is in public education what many parents feel is a misguided and, in some cases, untruthful emphasis on how America was founded and how it became a great nation.

And finally there is a growing movement that public educators need to put more and more emphasis on diversity instead of emphasizing the benefits of citizenship. Along with that is the philosophy that all white people have a “built in “bias toward people of color and only through public education can this trend be reversed.

I do not believe these are the beliefs of the vast majority of people in ND or, currently, the majority of teachers and administrators in ND.

I do believe that by passing HB 1281 into law there will be less of a chance that these things will become common place in our state.



**Testimony on HB 1281
House Finance and Taxation Committee
January 18, 2021**

Chairman Lefor and Members of the Committee,

For the record, my name is Nick Archuleta, and I am the president of North Dakota United. On behalf of our 11,500 members across the state, I rise to respectfully oppose and urge a DO NOT PASS recommendation for HB 1281.

Mr. Chairman and members of the Committee, North Dakotans have long valued the principle of a high-quality public school system. In fact, that principle is embedded in our State Constitution. Section 1 of Article VIII states:

“A high degree of intelligence, patriotism, integrity, and morality on the part of every voter in a government by the people being necessary in order to ensure the continuance of that government and the prosperity and happiness of the people, the legislative assembly shall make provision for the establishment and maintenance of a system of public schools which shall be open to all children of the state of North Dakota and free from sectarian control. This legislative requirement shall be irrevocable without the consent of the United States and the people of North Dakota.”

Section 5 of Article VIII of our Constitution further states:

“All colleges, universities, and other educational institutions, for the support of which lands have been granted to this state, or which are supported by a public tax, shall remain under the absolute and exclusive control of the state. No money raised for the support of the public schools of the state shall be appropriated to or used for the support of any sectarian school.”

Mr. Chairman, North Dakota United has a long history of opposing voucher proposals that take monies raised for public education and divert them to non-public entities.

Unfortunately, HB 1281 is one such proposal. Vouchers come in many forms, often hiding behind euphemisms such as, “Opportunity Scholarships,” “Tax Credit Scholarships,” “Education Savings Accounts,” and “Tuition Tax credits,” but they all have the same effect of diverting public funds intended for public schools to private schools or those educating their children at home.

Chairman Lefor and Members of the Committee, North Dakota’s public schools have the responsibility of educating every student that walks, runs, rolls, or is carried through our schoolhouse doors. To that list we must now add students who, due to the COVID-19 pandemic, are in hybrid or distance learning protocols. This is a responsibility unique to



Great Public Schools

Great Public Service

public schools and we embrace it whole heartedly because we agree with the principles enshrined in the North Dakota State Constitution.

Private and parochial schools do not share that responsibility. They do not have an obligation to educate every student. They alone determine who will and will not attend their schools. Often, private schools do not accept students based on ability because the financial costs of educating students with cognitive impairments are quite high. As a result, and with great pride, public schools will educate these students.

Furthermore, Mr. Chairman, diverting public funds to private or homeschools undermines the principle of accountability. Dollars that are allocated to North Dakota's public schools are managed by locally elected school boards which are held responsible for ensuring that the money is spent for the purposes for which they are intended. There is no public accountability for the money once it is diverted to a private school or to parents or guardians of homeschool students. Private schools and homeschools have nearly complete autonomy regarding how they operate, what they teach, and how they manage funds in their control. Around the country, we have seen many cases of waste, fraud, and abuse in voucher programs specifically because there is an absence of public accountability.

Finally, Chairman Lefor and Members of the Committee, I want to clarify two points:

1. There is no evidence that vouchers improve student achievement. Texas and Connecticut, two states without vouchers, saw student achievement growth because they invested in teacher quality and providing extra help for students who need it.
2. Vouchers do not reduce the cost of public education. In fact, they increase the cost because they require taxpayers to fund two education systems: one private and one public. Public schools, which educate the vast majority of North Dakota's students, will simply receive less funding. That means fewer resources for course offerings, music, and athletics programs.

I want you to know, too, that ND United has no problem with school choice and never has. We just believe, like the framers of the ND State Constitution, that school choice should not be subsidized by the taxpayers of North Dakota.

For these reasons, Mr. Chairman and Members of the Committee, I strongly and respectfully urge a DO NOT PASS recommendation for HB 1281.

Thank you for hearing me today. I am happy to answer any questions.



1 **HB 1281 – Education Tax Credit**
2 **Testimony in Opposition**
3 **North Dakota Council of Educational Leaders – Dr. Aimee Copas**
4 **January 18, 2021**
5

6 Good day Chair Owens, and members of the House Education Committee. For the record,
7 my name is Aimee Copas and I serve as the Executive Director for the ND Council of
8 Educational Leaders.

9 I stand before you today representing your school leaders recommending to you that take
10 pause before considering this bill to be the solution to education some of you may be searching
11 for. We continue to have the debate about whether our students are graduating from high school
12 - college, career, and life ready. We discuss remediation rates and techniques by which we are
13 attempting to help our students succeed. We discuss the perceived stagnant growth of public
14 education. I propose the idea that reinvesting dollars into concepts that currently exist in North
15 Dakota that have not shown markedly different results academically may not be the best way to
16 approach the problem. I propose that we look at real innovation to be the beginning of the
17 solution. Rethinking how we look at the educational day, space, and pace may be a more fruitful
18 conversation for the public, private, and home school environments.

19 Another factor in play is the need for accountability. In the private school environment, there
20 is at least inherent accountability by tuition paying families. In a home school environment,
21 there is no legal or inherent accountability. In fact, every session there are bills to lessen the
22 ability to monitor these students in any way. Dollars without some type of accountability
23 traditionally are not typically supported by the ND Lawmakers.

24 On its face there are issues with this bill that cannot be reconciled. I could spend the better
25 part of an hour digging into the many issues that I can see in this bill, but I will focus on the
26 fiscal side. The reality is that this bill will cost our state an enormous amount of
27 money...perhaps not in the first year, but certainly in the not-so-distant future. It creates
28 disparities in funding as well as other potential inequities. Please allow me to explain the fiscal
29 piece further.

30 The credit allowed to each family is \$2000 per student who was a full-time student in a
31 private or home environment for the entire school year (or \$1000 for less than entire year). If the

NDCEL is the strongest unifying voice representing and supporting administrators and educational leaders in pursuit of quality education for all students in North Dakota.

Executive Director: Aimee Copas-----Assistant Director: Russ Ziegler



1 amount of credit exceeds their liability for tax, that credit could be carried forward for up to three
2 years. The potential impact to state revenue is extensive. With an ongoing average of about
3 7500 students in North Dakota going to private schools and close to 5000 choosing home school,
4 the tax credit implication could be up to \$25M for just the first year of this credit. If there was
5 only a 25% carryover occurred hypothetically, this could be the implication over the first 3-4
6 years assuming enrollments remain similar.

7 Year 1) Up to \$25,000,000 (new credits) (\$12,500 students x \$2000 credit)

8 Year 2) Up to \$31,250,000 (\$25M new credits + \$6.25M carryover)

9 Year 3) Up to \$32,812,500 (\$25M new credits + \$7,812,500 carryover)

10 **Please refer to the attached fiscal impact sheet.**

11 The cost to operate our public schools would not change. They would simply have less
12 dollars to do so which will hurt the opportunity for the overwhelming majority of our students.
13 (Approximately \$113,000 students in attendance at our public schools). Our state is
14 constitutionally obligated to provide a free public education – this is one that all of our students
15 are able to take advantage of. Rather than take on a myriad of constitutional challenges (Is this
16 upholding our state constitution? Is this an inappropriate mix of church and state? There is little
17 to no compelling evidence to show students will have a better outcome in a voucher system – is
18 an investment in something that hasn't proven it worth a good decision?) I would ask you to
19 consider other avenues and opportunities to provide flexibly within our own current system of
20 education to provide opportunities for these students and families.

21 We ask for a DO NOT PASS of HB 1281.

22

23



North Dakota Small Organized Schools

#1065

Mr. Michael Heilman
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Mr. Brandt Dick
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HB 1281 – Education Tax Credit

Testimony in Opposition

Michael Heilman – Executive Director North Dakota Small Organized School

January 18, 2021

Chairman Headland and members of the House Finance and Taxation Committee, my name is Michael Heilman and I am the Executive Director of the North Dakota Small Organized Schools (NDSOS). I represent 154 member school districts of the North Dakota Small Organized Schools. I will keep my testimony brief as NDSOS's position is much the same as NDCEL's.

NDSOS is opposed to any tax credits, payments, vouchers or any other use of public dollars to fund private schools or home education as proposed in HB 1281. The concerns with funding or tax credits of this nature are that they put additional burden on the state general fund which may have an impact on funding of public education. Additionally, if public dollars are going to be used to fund private school and/or home education, there should be the same level of accountability and regulation that is in place for public education.

Mr. Michael Heilman – Executive Director
North Dakota Small Organized Schools
mheilmanndsos@gmail.com
701.527.4621

Board of Directors

Region 1

Mr. Tim Holte, Supt. Stanley
Mr. John Gruenberg, Supt. Powers Lake

Region 2

Mr. Jeff Hagler, Supt. North Star
Mr. Steven Heim, Anamoose & Drake

Region 3

Dr. Frank Schill, Supt. Edmore
Mr. Dean Ralston, Supt. Drayton

Region 4

Mr. Kelly Koppinger, Supt. New England
Mr. Justin Fryer, Supt. Solen

Region 5

Mr. Joel Lemer, Bd. Member Carrington
Mr. Brandt Dick, Supt. Underwood

Region 6

Mr. Mitch Carlson, Supt. LaMoure
Dr. Steven Johnson, Supt. Lisbon

The mission of NDSOS is to provide leadership for the small/rural schools in North Dakota and to support legislation favorable to their philosophy while opposing legislation that is harmful.

House Finance and Tax Committee
Chairman Craig Headland
January 17, 2021

Testimony of Gerald Vetter
President
State Association of Nonpublic Schools
gvetter@lightofchristschools.org
701-354-7067

HB 1281

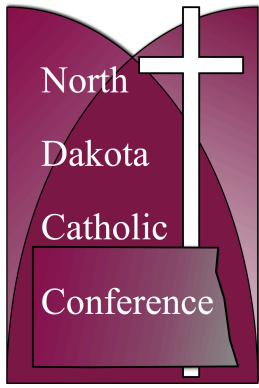
Chairman Headland and members of the committee, my name is Gerald Vetter. I am president of the State Association of Nonpublic Schools and I submitting this written testimony on behalf this association.

As an association we are supportive of any effort to empower parental choice in education and to allow parents to choose to educate their children through the education environment that suits them best—whether that is through public schools, nonpublic schools, or home schooling.

On behalf of 6,770 students in nonpublic schools in North Dakota and their parents we ask for your support of HB 1281. The nonpublic schools in North Dakota save taxpayers of North Dakota in excess of \$160 million dollars* per biennium.

Thank You

**NDDPI School Finance Facts (Fall 2019) Non-Public enrollment of 6,770 students X average cost of education per pupil \$12,435.*



*Representing the Diocese of Fargo
and the Diocese of Bismarck*

103 South Third Street
Suite 10
Bismarck ND 58501
701-223-2519
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ndcatholic@ndcatholic.org

To: House Finance and Taxation Committee
From: Christopher Dodson, Executive Director
Subject: House Bill 1281 relating to an income tax credit for taxpayers whose children receive nonpublic school or home education
Date: January 18, 2021

The North Dakota Catholic Conference supports House Bill 1281 as a way toward an education system that empowers all parents to choose the best educational setting for their children.

All children have a right to a state-supported education. This right is rooted in who we are as human persons and the obligations of the political community to concretely assist in the development of all children so that they can reach their full potential.

Just as all children have a right to a state-supported education, all parents have a right to choose the best educational setting for their children. Parents are the primary educators of their children and best know what educational setting suits their particular children.

The two rights are not mutually exclusive and treating them such — as our current system does — violates both the child's and the parent's basic human rights.

We urge a **Do Pass** recommendation on HB 1281.



January 16, 2021

Dear House Finance and Taxation Committee,

Chairman Headland and Representatives of the House Finance and Taxation Committee, Family Policy Alliance of North Dakota would like to formally indicate its support of House Bill 1281. It is our firm belief that legislation which provides incentives for school choice ultimately benefits all North Dakota families and their children. This bill will continue the positive strides taken in this direction last legislative session and will further expand support for educational opportunities. For these reasons, we respectfully ask for a "DO PASS" committee recommendation on HB1281.

Thank you for your consideration,

A handwritten signature in black ink that reads "Mark Jorritsma".

Mark Jorritsma
Executive Director
Lobbyist #147



2021 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Room JW327E, State Capitol

HB 1281
1/18/2021
PM

A bill relating to an income tax credit for taxpayers whose children receive nonpublic school or home education.

Chairman Headland opened discussion at 2:30pm.

Representatives	Present
Representative Craig Headland	Y
Representative Vicky Steiner	Y
Representative Dick Anderson	Y
Representative Glenn Bosch	Y
Representative Jason Dockter	Y
Representative Sebastian Ertelt	Y
Representative Jay Fisher	Y
Representative Patrick Hatlestad	Y
Representative Zachary Ista	Y
Representative Tom Kading	Y
Representative Ben Koppelman	Y
Representative Marvin E. Nelson	Y
Representative Nathan Toman	Y
Representative Wayne A. Trottier	Y

Discussion Topics:

- Proposed amendment from Representative Bosch

Representative Bosch made a motion to amend the bill by lowering the tax credit from \$2,000 to \$500 and remove the carry over provision.

Representative Dockter seconded the motion.

Voice vote: motion carried

Representative B. Koppelman made a motion for a do pass as amended.

Representative Kading seconded the motion.

Roll call vote:

Representatives	Vote
Representative Craig Headland	N
Representative Vicky Steiner	N
Representative Dick Anderson	Y
Representative Glenn Bosch	Y

Representative Jason Dockter	Y
Representative Sebastian Ertelt	Y
Representative Jay Fisher	Y
Representative Patrick Hatlestad	Y
Representative Zachary Ista	N
Representative Tom Kading	Y
Representative Ben Koppelman	Y
Representative Marvin E. Nelson	N
Representative Nathan Toman	Y
Representative Wayne A. Trottier	Y

Motion carried 10-4-0

Representative B. Koppelman will carry this bill.

Chairman Headland asked to place a hold on this bill for later consideration.

Chairman Headland closed discussion at 2:53pm

Mary Brucker, Committee Clerk

2021 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Room JW327E, State Capitol

HB 1281
1/19/2021

A bill relating to an income tax credit for taxpayers whose children receive nonpublic school or home education.

Chairman Headland opened up for discussion at 2:04pm.

Representatives	Present
Representative Craig Headland	Y
Representative Vicky Steiner	Y
Representative Dick Anderson	Y
Representative Glenn Bosch	Y
Representative Jason Dockter	Y
Representative Sebastian Ertelt	Y
Representative Jay Fisher	Y
Representative Patrick Hatlestad	Y
Representative Zachary Ista	Y
Representative Tom Kading	Y
Representative Ben Koppelman	Y
Representative Marvin E. Nelson	Y
Representative Nathan Toman	Y
Representative Wayne A. Trottier	Y

Discussion Topics:

- Reconsider actions

Representative Bosch made a motion to reconsider actions from January 18, 2021.

Vice Chairman Steiner seconded the motion.

Voice vote-motion carried.

Chairman Headland closed the discussion at 2:07pm.

Mary Brucker, Committee Clerk

2021 HOUSE STANDING COMMITTEE MINUTES

Finance and Taxation Committee
Room JW327E, State Capitol

HB 1281
1/20/2021

A bill relating to an income tax credit for taxpayers whose children receive nonpublic school or home education.

Chairman Headland opened discussion at 10:38am.

Representatives	Present
Representative Craig Headland	Y
Representative Vicky Steiner	Y
Representative Dick Anderson	Y
Representative Glenn Bosch	Y
Representative Jason Dockter	Y
Representative Sebastian Ertelt	Y
Representative Jay Fisher	Y
Representative Patrick Hatlestad	Y
Representative Zachary Ista	Y
Representative Tom Kading	Y
Representative Ben Koppelman	Y
Representative Marvin E. Nelson	AB
Representative Nathan Toman	Y
Representative Wayne A. Trottier	Y

Discussion Topics:

- Representative Ertelt's amendment
- Committee action on bill

Representative Ertelt proposed a verbal amendment replacing three with next year on page 1 line 24. **Made a motion to adopt the amendment.**

Representative D. Anderson seconded the motion.

Voice vote-motion carried.

Representative B. Koppelman made a motion for a Do Pass As Amended and Rerefer to Appropriations.

Vice Chairman Steiner seconded the motion.

Roll call vote:

Representatives	Vote
Representative Craig Headland	N
Representative Vicky Steiner	Y
Representative Dick Anderson	Y
Representative Glenn Bosch	Y
Representative Jason Dockter	Y
Representative Sebastian Ertelt	Y
Representative Jay Fisher	Y
Representative Patrick Hatlestad	N
Representative Zachary Ista	N
Representative Tom Kading	Y
Representative Ben Koppelman	Y
Representative Marvin E. Nelson	AB
Representative Nathan Toman	Y
Representative Wayne A. Trottier	Y

Motion carried 10-3-1

Representative B. Koppelman is the bill carrier.

Chairman Headland closed the discussion at 10:50am.

Mary Brucker, Committee Clerk

21.0794.01001
Title.02000

Adopted by the Finance and Taxation
Committee

January 20, 2021

DA 1/20/21
1 of 1

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1281

Page 1, line 15, replace "two thousand" with "five hundred"

Page 1, line 23, remove "each of"

Page 1, line 24, replace "three" with "next"

Page 1, line 24, replace "years" with "year"

Renumber accordingly

REPORT OF STANDING COMMITTEE

HB 1281: Finance and Taxation Committee (Rep. Headland, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (10 YEAS, 3 NAYS, 1 ABSENT AND NOT VOTING). HB 1281 was placed on the Sixth order on the calendar.

Page 1, line 15, replace "two thousand" with "five hundred"

Page 1, line 23, remove "each of"

Page 1, line 24, replace "three" with "next"

Page 1, line 24, replace "years" with "year"

Renumber accordingly

2021 HOUSE APPROPRIATIONS

HB 1281

2021 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Brynhild Haugland Room, State Capitol

HB 1281
1/29/2021

Relating to an income tax credit for taxpayers whose children receive nonpublic school or home education
--

10:42 Chairman Delzer opening hearing for HB 1281

Representatives	
Representative Jeff Delzer	P
Representative Keith Kempenich	P
Representative Bert Anderson	P
Representative Larry Bellew	P
Representative Tracy Boe	P
Representative Mike Brandenburg	P
Representative Michael Howe	P
Representative Gary Kreidt	P
Representative Bob Martinson	P
Representative Lisa Meier	P
Representative Alisa Mitskog	P
Representative Corey Mock	P
Representative David Monson	P
Representative Mike Nathe	P
Representative Jon O. Nelson	P
Representative Mark Sanford	P
Representative Mike Schatz	P
Representative Jim Schmidt	P
Representative Randy A. Schobinger	P
Representative Michelle Strinden	P
Representative Don Vigesaa	P

Discussion Topics:

- New tax credit for children of nonpublic or home schooling

10:42 Representative Headland –Introduces the bill.

Additional written testimony: Submitted not addressed; in favor #4197, #4189, #3922. In opposition #4196, #4195 and #4167

10:50 Chairman Delzer- Closes the hearing for HB 1281

Risa Berube, House Appropriations Committee Clerk



**Testimony on HB 1281
House Appropriations Committee
January 29, 2021**

Chairman Delzer and Members of the Committee,

For the record, my name is Nick Archuleta, and I am the president of North Dakota United. On behalf of our 11,500 members across the state, I rise to respectfully oppose and urge a DO NOT PASS recommendation for HB 1281.

Mr. Chairman and members of the Committee, North Dakotans have long valued the principle of a high-quality public school system. In fact, that principle is embedded in our State Constitution. Section 1 of Article VIII states:

“A high degree of intelligence, patriotism, integrity, and morality on the part of every voter in a government by the people being necessary in order to ensure the continuance of that government and the prosperity and happiness of the people, the legislative assembly shall make provision for the establishment and maintenance of a system of public schools which shall be open to all children of the state of North Dakota and free from sectarian control. This legislative requirement shall be irrevocable without the consent of the United States and the people of North Dakota.”

Section 5 of Article VIII of our Constitution further states:

“All colleges, universities, and other educational institutions, for the support of which lands have been granted to this state, or which are supported by a public tax, shall remain under the absolute and exclusive control of the state. No money raised for the support of the public schools of the state shall be appropriated to or used for the support of any sectarian school.”

Mr. Chairman, I include these references to the North Dakota Constitution not to imply all voucher programs are unconstitutional. We all know that *Espinoza v Montana* has changed the landscape for some of them and I am not a lawyer. Rather, I include them in my testimony only to illustrate North Dakota’s long and principled intention that monies raised for public education and the provision of public services not be allocated to private or parochial schools.

North Dakota United has a long history of opposing voucher enabling legislation. Unfortunately, HB 1281 is one such proposal. Vouchers come in many forms, often hiding behind euphemisms such as, “Opportunity Scholarships,” “Tax Credit Scholarships,” “Education Savings Accounts,” “Education Empowerment Programs,” and “Tuition Tax Credits.” All of them, however, have the same effect of diverting public funds intended for public schools and services to private schools or those educating their children at home.

Chairman Delzer and Members of the Committee, North Dakota’s public schools have the responsibility of educating every student that walks, runs, rolls, or is carried through our schoolhouse doors. To that list we must now add students who, due to the COVID-19 pandemic, are in hybrid or distance learning protocols. This is a responsibility unique to



Great Public Schools

Great Public Service

public schools and we embrace it whole heartedly because we agree with the principles enshrined in the North Dakota State Constitution.

Private and parochial schools do not share that responsibility. They do not have an obligation to educate every student. They alone determine who will and will not attend their schools. Often, private schools do not accept students based on ability because the financial costs of educating students with cognitive impairments are quite high. As a result, and with great pride, public schools educate these students.

Furthermore, Mr. Chairman, diverting public funds to private or homeschools undermines the principle of accountability. Dollars that are allocated to North Dakota's public schools are managed by locally elected school boards which are held responsible for ensuring that the money is spent for the purposes for which they are intended. There is no public accountability for the money once it is diverted to a private school or to parents or guardians of homeschool students. Private schools and homeschools have nearly complete autonomy regarding how they operate, what they teach, and how they manage funds in their control. Around the country, we have seen many cases of waste, fraud, and abuse in voucher programs specifically because there is an absence of public accountability.

Finally, Mr. Chairman, I want to clarify two points:

1. There is no evidence that vouchers improve student achievement. Texas and Connecticut, two states without vouchers, saw student achievement growth because they invested in teacher quality and providing extra help for students who need it.
2. Vouchers do not reduce the cost of public education. In fact, they increase the cost because they require taxpayers to fund two education systems: one private and one public. Public schools, which educate the vast majority of North Dakota's students, will simply receive less funding. That means fewer resources for course offerings, as well as music, art, and athletics programs.

I want you to know, too, that ND United has no problem with school choice and never has. We just believe, like the framers of the ND State Constitution, that school choice should not be subsidized by the taxpayers of North Dakota.

For these reasons, Mr. Chairman and Members of the Committee, I strongly and respectfully urge a DO NOT PASS recommendation for HB 1281.

Thank you for hearing me today. I am happy to answer any questions.



January 28, 2021

Dear House Appropriations Committee,

Chairman Delzer and Representatives of the House Appropriations Committee, Family Policy Alliance of North Dakota would like to formally indicate its support of House Bills 1137 and 1281. It is our firm belief that legislation which provides incentives for school choice ultimately benefits all North Dakota families and their children. These bills will continue the positive strides taken in this direction last legislative session and will further expand support for educational opportunities. For these reasons, we respectfully ask for "DO PASS" committee recommendations on HB1137 and HB1281.

Thank you for your consideration,

A handwritten signature in black ink that reads "Mark Jorritsma".

Mark Jorritsma
Executive Director
Lobbyist #147

1515 Burnt Boat Drive., Ste. C148
Bismarck, ND 58503

P 866.655.4545

UNLEASHING CITIZENSHIP

FamilyPolicyAlliance.com/NorthDakota



House Finance and Taxation Committee

HB 1281

Gordon Greenstein

Bismarck, ND

Chairman Headland and Committee

I urge the House Finance and Tax Committee to support House Bill 1281. This is a step in the right direction. I believe that all tax dollars should follow the student. I believe all parents have the right to choose the best education for their kids.

I am attaching a copy of the US Supreme Court decision from June, 2020. I believe that this decision has some bearing on HB 1281.

Religion and schools

May a state exclude church schools from a state-sponsored tuition aid program that supports students in other private schools, or does that exclusion amount to unconstitutional discrimination against religion?

That is unconstitutional discrimination based on religion, the court said In a 5-4 ruling in **Espinoza vs. Montana**. The Montana Supreme Court had blocked the \$500.00 grants on the grounds that the state's constitution, like those of most states, forbids giving tax money to churches or their affiliates. But Chief Justice Roberts, writing for the court, said the discriminatory policy violates the 1st Amendment and its protection for the free exercise of religion. In dissent were Justices Breyer, Ginsburg, Sotomayor and Kagan.

I urge a **DO PASS** on House Bill 1281



1 **HB 1281 – Education Tax Credit**
 2 **Testimony in Opposition**
 3 **North Dakota Council of Educational Leaders – Dr. Aimee Copas**
 4 **January 29, 2021**
 5

6 Good day Chairman Delzer, and members of the House Appropriations Committee. For the
 7 record, my name is Dr. Aimee Copas and I serve as the Executive Director for the ND Council of
 8 Educational Leaders representing all school administrators, directors, and school leaders.

9 I come before you today representing your school leaders recommending to you that take
 10 pause before considering this bill to be the solution to education some of you may be searching
 11 for.

12 There are two key categories by which we ask that you contemplate with this bill (1) cost (2)
 13 accountability. In the private school environment, there is no legal but at least inherent
 14 accountability by a governing board and tuition paying families. In a home school environment,
 15 there is no legal or inherent accountability. In fact, every session there are bills to lessen the
 16 ability to monitor these students in any way. Dollars without some type of accountability
 17 traditionally are not typically supported by the ND Lawmakers.

18 On its face there are issues with this bill that cannot be reconciled. I could spend the better
 19 part of an hour digging into the many issues that I can see in this bill, but I will focus on the
 20 fiscal side. The reality is that this bill will cost our state an enormous amount of
 21 money...perhaps not in the first year, but certainly in the not-so-distant future. It creates
 22 disparities in funding as well as other potential inequities. Please allow me to explain the fiscal
 23 piece further.

24 The credit allowed to each family as amended is \$500 per student who was a full-time
 25 student in a private or home environment for the entire school year (or \$250 for less than entire
 26 year). If the amount of credit exceeds their liability for tax, that credit could be carried forward
 27 in the subsequent year. The potential impact to state revenue is extensive. With an ongoing
 28 average of about 7500 students in North Dakota going to private schools and close to 5000
 29 choosing home school, the tax credit implication could be up to \$6.25M for just the first year of
 30 this credit. If there was only a 25% carryover occurred hypothetically, this could be the
 31 implication on an annual basis beginning in year 2.

*NDCEL is the strongest unifying voice representing and supporting administrators and educational leaders in pursuit of quality
 education for all students in North Dakota.*

Executive Director: Aimee Copas-----Assistant Director: Russ Ziegler



1 **Year 1) Up to \$6,250,000 (new credits) (12,500 students x \$500 credit)**
2 **Year 2) Up to \$7,812,500 (\$6.25M new credits + \$1,562,500M carryover)**

3
4 The cost to operate our public schools would not change. They would simply have less
5 dollars to do so which will hurt the opportunity for the overwhelming majority of our students.
6 (Approximately 113,000 students in attendance at our public schools). Our state is
7 constitutionally obligated to provide a free public education – this is one that all of our students
8 are able to take advantage of. Rather than take on a myriad of constitutional challenges (Is this
9 appropriately upholding our state constitution? Is this an inappropriate mix of church and state?
10 Are dollars without accountability a pathway this legislature is in favor of? There is little to no
11 compelling evidence to show students will have a better outcome in a voucher system. We
12 would ask you to consider other avenues and opportunities to provide flexibly within our own
13 current system of education to provide opportunities for these students and families. Continue to
14 invest in our public school system and show support in that system so that families are taking
15 advantage of the wonderful investment you’ve made in our state.

16 We ask for a DO NOT PASS of HB 1281.

17
18

ND Appropriations Committee Members,

I am a stay-at-home mother with 9 children. I have homeschooled each of my children since they were in pre-school. My oldest is now just beginning High School.

I realize that this bill, as it is currently written, could potentially provide our family with a \$4500 tax credit each year. Yet I stand OPPOSED to HB1281.

Eleven days ago, a committee met to discuss HB1281, but with only one difference: the amount of the tax credit at that time was \$2000 per child rather than the \$500 it is now. After listening to testimony and certainly discussion among the committee, the decision was made to simply edit the bill down to \$500.

I find the words of Horatio Bunce, a simple Tennessee farmer in the 1830's, to mirror my thoughts. Therefore, I will echo them here:

"It is not the amount that I have a problem with. The power to collect and then disburse money at your pleasure is the most dangerous power that can be entrusted to man... If you had the right to give anything, the amount was simply a matter of discretion with you, and you had as much right to give twenty million dollars as twenty thousand dollars. If you have the right to give to one, you have the right to give to all; and, as the Constitution neither defines charity nor stipulates the amount, you are at liberty to give to anything and everything which you may believe, or profess to believe, is a charity, and to any amount you may think proper. You will very easily perceive what a wide door this would open for fraud and corruption and favoritism, on the one hand, and for robbing the people on the other. No, Congress has no right to give to charity. Individual members may give as much of their own money as they please, but they have no right to touch a dollar of the public money for that purpose."

200 years ago, Mr. Bunce spoke in foresight of a government that was full of "fraud, corruption, and favoritism on the one hand, and robbing people on the other". Is this not what we have in America today? The people are robbed so that fraud, corruption, and favoritism may occur!

This bill, I believe, was introduced by people who are honest and desirous of the good of North Dakotans. However, I will again quote Mr. Horatio Bunce, "The man who wields power and misinterprets [the Constitution] is the more dangerous the more honest he is." The Representatives who introduced this bill likely did not see the possible consequences of the government one day using the money in this bill to regulate and restrict the freedom of non-public education. But their honesty and lack of foresight is a danger to school choice in this great state.

As a final point, it is often mistakenly stated that the government is to be a servant of the people. This is not true. For all people are inherently greedy and would destroy themselves in short order. Our elected officials are not to serve the people, but rather to serve the Constitution. Mr. Bunce understood this fact, and directed his comments to the fact that the Constitution does not give the government a right to fund charity.

You, as members of the Congress, have no Constitutional right to give favoritism to homeschoolers, thereby causing fraud, corruption, and robbery.

As a homeschooling mother in rural North Dakota, I ask for a DO NOT PASS decision on HB1281. Thank you.



NDSBA
NORTH DAKOTA SCHOOL
BOARDS ASSOCIATION

P.O. Box 7128
Bismarck ND 58507-7128
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www.ndsba.org

HB 1281
Testimony of Alexis Baxley
House Appropriations Committee
January 28, 2021

Chairman Delzer and members of the committee, my name is Alexis Baxley. I am the executive director of the North Dakota School Boards Association. NDSBA represents all 178 North Dakota public school districts and their boards. NDSBA stands firmly in opposition to HB 1281.

Article VIII, Section 2 of our state constitution states that the Legislative Assembly shall provide for a uniform system of free public schools throughout the state. The ND Constitution does not include any provision for the financial support of private or home education. In fact, it explicitly states that no money raised for the support of public schools of the state shall be appropriated to or used for the support of any sectarian school. While this bill does not direct state funds towards non-public education exactly, it does ensure the state collects less in order to support non-public education.

Continuously, public school districts, their administrators and their staff are asked to do more with less. Costs associated with behavioral health, safety, staff benefits, social services, etc. continue to rise. We are continually studying and tweaking our funding formula in an attempt to better provide for our public-school system.

One way I am certain we cannot achieve that goal is to divert dollars away from the formula. While a parent certainly has the right to choose where and how they want their children educated, that choice does not and should not entitle them to the dollars provided for public education by our state constitution. Additionally, home and private schools are not subject to many of the same requirements that public schools are. This is often a reason parents cite in choosing non-public education for their children. However, state dollars, or an exemption from the taxes other citizens are required to pay, should not come without that same accountability.

NDSBA urges a Do Not Pass recommendation on HB 1281, and I would be happy to stand for any questions. Thank you for your time.

2021 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee Brynhild Haugland Room, State Capitol

HB 1281
2/9/2021

Relating to an income tax credit for taxpayers whose children receive nonpublic school or home education
--

4:05 Chairman Delzer- Opens the meeting for HB 1281

Representatives	P/A
Representative Jeff Delzer	P
Representative Keith Kempenich	P
Representative Bert Anderson	P
Representative Larry Bellew	P
Representative Tracy Boe	P
Representative Mike Brandenburg	P
Representative Michael Howe	P
Representative Gary Kreidt	P
Representative Bob Martinson	P
Representative Lisa Meier	P
Representative Alisa Mitskog	P
Representative Corey Mock	A
Representative David Monson	P
Representative Mike Nathe	P
Representative Jon O. Nelson	P
Representative Mark Sanford	P
Representative Mike Schatz	P
Representative Jim Schmidt	P
Representative Randy A. Schobinger	P
Representative Michelle Strinden	P
Representative Don Vigesaa	P

Discussion Topics:

- Tax Break
- Tax Credit per Student

Chairman Delzer-Reviews HB 1281

Committee discussion

4:09 Representative Jon O. Nelson- Motion for a Do Not Pass

Representative Brandenburg Seconds the motion

Further discussion

4:10 Roll Call Vote

Representatives	Vote
Representative Jeff Delzer	Y
Representative Keith Kempenich	A
Representative Bert Anderson	N
Representative Larry Bellew	N
Representative Tracy Boe	Y
Representative Mike Brandenburg	Y
Representative Michael Howe	Y
Representative Gary Kreidt	Y
Representative Bob Martinson	Y
Representative Lisa Meier	N
Representative Alisa Mitskog	Y
Representative Corey Mock	A
Representative David Monson	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Mark Sanford	Y
Representative Mike Schatz	N
Representative Jim Schmidt	N
Representative Randy A. Schobinger	N
Representative Michelle Strinden	N
Representative Don Vigesaa	Y

Motion Carries 12-7-2

Representative Brandenburg will carry the bill

Additional written testimony: No Written Testimony

4:13 Chairman Delzer - Closes the meeting for HB 1281

Risa Berube,

House Appropriation Committee Clerk

REPORT OF STANDING COMMITTEE

HB 1281, as engrossed: Appropriations Committee (Rep. Delzer, Chairman)
recommends **DO NOT PASS** (12 YEAS, 7 NAYS, 2 ABSENT AND NOT VOTING).
Engrossed HB 1281 was placed on the Eleventh order on the calendar.

2021 SENATE FINANCE AND TAXATION

HB 1281

2021 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Fort Totten Room, State Capitol

HB 1281
3/9/2021

A BILL for an Act to create and enact a new section to chapter 57-38 and a new subdivision to subsection 7 of section 57-38-30.3 of the North Dakota Century Code, relating to an income tax credit for taxpayers whose children receive nonpublic school or home education; and to provide an effective date.

Chair Bell calls the meeting to order. Chair Bell, Vice Chair Kannianen, Senators Meyer, J. Roers, Patten, Piepkorn, Weber are present. [9:00]

Discussion Topics:

- Tax credits for homeschooling parents
- The cost of educating children
- Voucher programs

Representative Ertelt [9:01] presents the bill and submits testimonies #8294, #8355 in favor.

David Del Padre [9:07], teacher and administrator for Hope Christian Academy in Dickinson, testifies orally in favor.

Christopher Dodson [9:12], with the ND Catholic Conference, testifies in favor and submits testimony #8131.

Tom Tracy [9:14], former public school superintendent, testifies orally in favor.

Nick Archuleta [9:24], representing North Dakota United, testifies in opposition and submits testimony #8158.

Aimee Copas [9:32], Executive Director of the ND Council of Educational Leaders, testifies in opposition and submits testimony #8367.

Amy De Kok [9:40], Legal Counsel for ND School Boards Association, testifies in opposition and submits testimony #8188.

Terry Brenner [9:43], Superintendent of the Grand Forks Public School District, testifies in opposition and submits testimony #7992.

Additional written testimony:

Kenneth R. Tarkinton, Rachel Lindquist, Jacob Holter, Pat Black, Thea Holter, and **Brittany Wold** submit testimony #7560, 7607, 7903, 7907, 8190 and 8192 in favor.

Tara Roedocker, of Minot, submits testimony #7638 in favor.

Taya Sakala, of Watford City, submits testimony #7645 in favor.

Eden McLeod, of McClusky, submits testimony #7875 in favor.

Cionda Holder, of Williston, submits testimony #7893 in favor.

Leroy Huizenga, of Bismarck, submits testimony #7938 in favor.

Mark Jorritsma, Executive Director of the Family Policy Alliance of ND, submits testimony #7994 in favor.

Jackie Thompson, Superintendent for the Tate Topa Tribal School, submits testimony #8073 in favor.

Theresa Deckert, of Devils Lake, submits testimony #8115 in favor.

Amy Gieser, of Mandan, submits testimony #8148 in favor.

Michael S. Voeller, of Rugby, submits testimony #8151 in favor.

Gordon W. Greenstein, of Bismarck, submits testimony #8157 in favor.

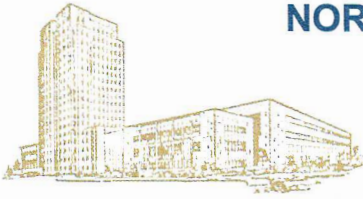
Gerald Vetter, President of the State Association of Nonpublic Schools, submits testimony #8175 in favor.

Nancy Lefor, of Dickinson, submits testimony #8181 in favor.

Chair Bell adjourns the public hearing. [9:46]

Joel Crane, Committee Clerk

NORTH DAKOTA HOUSE OF REPRESENTATIVES



STATE CAPITOL
600 EAST BOULEVARD
BISMARCK, ND 58505-0360

**Representative Sebastian Ertelt**

District 26
906 Ash Street
Lisbon, ND 58054-4316

sertelt@nd.gov

COMMITTEES:

Finance and Taxation
Political Subdivisions

March 9, 2021

Chairman Bell and Members of the Senate Finance and Taxation Committee,

For the record, I am Representative Sebastian Ertelt representing North Dakota District 26, which includes all of Sargent County, the eastern half of Dickey County, the southern half of Ransom County, and the western half of Richland County.

House Bill 1281 would allow parents of nonpublic or home educated students to claim an income tax credit. The provisions are a \$500 credit per student with a one year carry forward period limited by duration of enrollment and individual tax liability. If the student receives nonpublic or home education for less than the entire school year, but more than half the year, the credit is reduced by 50%. If the student receives nonpublic or home education for less than half of the school year then no credit is available.

While I am not opposed to school vouchers or scholarships, this bill is NOT either of those. There is no payment made to nonpublic schools or homeschool parents. On the contrary, a tax credit is a recognition that the tax is not due. These are not public dollars – they belong to the individual.

This bill is also NOT a diversion of funding from public schools to private schools and homeschools. To claim otherwise is to claim that all income tax credits divert funding from public schools and yet you don't see the opposition to other credits from the public school proponents. And again, there is no payment made to nonpublic schools or homeschool parents. Rather, parents are simply keeping more of their hard-earned dollars.

Nonpublic and home education saves the state a lot of money. There are approximately 10,000 students enrolled in nonpublic and home schools in grades K through 12. The base state aid payment per student is \$10,036. That equates to over \$100 Million in savings EVERY YEAR! The reality is that nonpublic and home education has saved the state taxpayers billions of dollars and it is time for the legislature to recognize that.

While all tax credits reduce revenue, the current reality is that for each nonpublic or homeschool student there is an additional \$10,000+ of state funds available to be spent on the now fewer number of public school students. In other words, nonpublic and homeschool education results in being able to spend even more money on each public education student. The same is true of the average \$4,600+ of local funding via property tax so this bill does NOT put pressure on property tax. With funding seemingly being the primary concern from the public school proponents, they should be in full support of this bill.

You may hear that public school costs are greater because they accept all students who walk in the door. This is simply conjecture. I think you would be hard pressed to find a nonpublic school without students who requires

additional educational assistance. This may be even more prevalent among homeschool students as it is a common reason for home education.

House Bill 1281 seeks to give credit where credit is due - a parent's choice to save taxpayers over \$10,000 each year. A choice that is not one of convenience, but one of deep care and high cost. You see, parent's don't choose their child's abilities. They don't choose that their child is not thriving in the public school. They don't choose revisionist history or attacks on the morality taught in their homes. They don't choose that their child continues to be bullied without resolution. They don't choose basic education proficiencies hovering around 50%. If it can be viewed as a choice at all, parents are simply making the educational choice that best suits their child's needs. We should encourage parents to make the decision that is best for their children's education, not punish them with additional financial burden.

Chairman Bell and Members of the Senate Finance and Taxation Committee, I thank you for your time today and urge a unanimous DO PASS recommendation on House Bill 1281.



North Dakota Legislative Council

Prepared for the Legacy Fund Earnings Committee
LC# 21.9385.01000
September 2020

COMMON SCHOOLS TRUST FUND - INVESTMENTS AND DISTRIBUTIONS

INVESTMENT EARNINGS AND DISTRIBUTIONS

The schedule below provides information on the common schools trust fund balance, returns, investment earnings, and annual distributions for the 2009-11 biennium through the 2017-19 biennium. After voter approval in November 2006, the constitutional change to implement the percent of market value distribution method became effective for the 2009-11 biennium. The amounts shown reflect information from reports published by the Department of Trust Lands. The investment earnings include investment income, loan income, changes in fair value of investments, and securities lending income. In addition to the investment earnings, revenues of the common schools trust fund include royalties, leasing bonuses, rental income, unclaimed property deposits, and oil extraction tax allocations, which increase the balance of the fund.

Date	Ending Balance	Annual Net Return	Investment Earnings ¹	Annual Distributions ²	Variance
June 30, 2010	\$1,221,501,801	14.48%	\$124,285,446	\$38,589,000	\$85,696,446
June 30, 2011	\$1,622,412,984	17.99%	\$228,535,266	\$38,589,000	\$189,946,266
2009-11 biennium total			\$352,820,712	\$77,178,000	\$275,642,712
June 30, 2012	\$1,917,135,220	2.42%	\$48,115,266	\$46,257,000	\$1,858,266
June 30, 2013	\$2,417,363,782	10.65%	\$213,314,618	\$46,257,000	\$167,057,618
2011-13 biennium total			\$261,429,884	\$92,514,000	\$168,915,884
June 30, 2014	\$3,128,315,233	13.85%	\$356,700,569	\$65,163,000	\$291,537,569
June 30, 2015	\$3,437,988,002	.50%	\$20,267,207	\$65,163,000	(\$44,895,793)
2013-15 biennium total			\$376,967,776	\$130,326,000	\$246,641,776
June 30, 2016	\$3,512,355,582	(0.63%)	(\$10,783,207)	\$103,067,000	(\$113,850,207)
June 30, 2017	\$3,940,114,988	9.50%	\$345,248,373	\$103,067,000	\$242,181,373
2015-17 biennium total			\$334,465,166	\$206,134,000	\$128,331,166
June 30, 2018	\$4,318,989,728	6.50%	\$265,743,785	\$144,132,000	\$121,611,785
June 30, 2019	\$4,651,515,837	3.87%	\$188,387,546	\$144,132,000	\$44,255,546
2017-19 biennium total			\$454,131,331	\$288,264,000	\$165,867,331

¹The amounts shown for the investment earnings include realized and unrealized gains and losses.

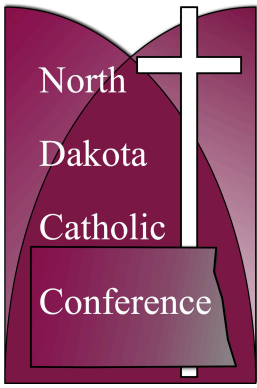
²Pursuant to the constitutional provisions, 10 percent of the 5-year average value of the trust assets is distributed per biennium with equal amounts distributed each fiscal year.

FEES AND INVESTMENT RETURNS

The Department of Trust Lands manages the permanent trusts for the benefit of various educational institutions. The permanent trusts include the common schools trust fund. In fiscal year 2019, the pooled investments of the permanent trusts paid \$22.7 million of investment fees reflecting a fee rate of 0.49 percent. The average market value of the assets invested was \$4.63 billion, and the net investment returns were 3.87 percent.

As a comparison, the legacy fund, which is managed by the Retirement and Investment Office, paid \$23.7 million of investment fees in fiscal year 2019 reflecting a fee rate of 0.39 percent. The average market value of the assets invested was \$6.08 billion, and the net investment returns were 4.98 percent.

#8131



*Representing the Diocese of Fargo
and the Diocese of Bismarck*

103 South Third Street
Suite 10
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701-223-2519
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ndcatholic@ndcatholic.org

To: Senate Finance and Taxation
From: Christopher Dodson, Executive Director
Subject: HB 1281 - Tax Credits for Nonpublic Students
Date: March 9, 2021

All children have a right to a state-supported education. This right is rooted in who we are as human persons and the obligations of the political community to concretely assist in the development of all children so that they can reach their full potential.

Just as all children have a right to a state-supported education, all parents have a right to choose the best educational setting for their children. Parents are the primary educators of their children and best know what educational setting suits their particular children.

The two rights are not mutually exclusive and treating them such violates both the child's and the parent's basic human rights. Efforts to help families that home educate or have children in nonpublic schools is not about weakening the public school system. Instead, they are attempts to wrong an injustice in our current educational system.

House Bill 1281 seeks to correct that injustice and it does so without negating the state's obligations to public schools in any way. Nor does it violate the state or federal constitutions.

We urge a **Do Pass** recommendation on House Bill 1281.



Great Public Schools

Great Public Service

Testimony on HB 1281
Senate Finance and Taxation Committee
March 9, 2021

Chairwoman Bell and Members of the Committee, for the record, my name is Nick Archuleta, and I am the president of North Dakota United. On behalf of our 11,500 members across the state, I rise to respectfully oppose and urge a DO NOT PASS recommendation for HB 1281.

Chairwoman Bell and members of the Committee, North Dakotans have long valued the principle of a high-quality public school system. In fact, that principle is embedded in our State Constitution. Section 1 of Article VIII states:

“A high degree of intelligence, patriotism, integrity, and morality on the part of every voter in a government by the people being necessary in order to ensure the continuance of that government and the prosperity and happiness of the people, the legislative assembly shall make provision for the establishment and maintenance of a system of public schools which shall be open to all children of the state of North Dakota and free from sectarian control. This legislative requirement shall be irrevocable without the consent of the United States and the people of North Dakota.”

Section 5 of Article VIII of our Constitution further states:

“All colleges, universities, and other educational institutions, for the support of which lands have been granted to this state, or which are supported by a public tax, shall remain under the absolute and exclusive control of the state. No money raised for the support of the public schools of the state shall be appropriated to or used for the support of any sectarian school.”

Madam Chairwoman, I include these references to the North Dakota Constitution not to imply all voucher programs are unconstitutional. We all know that *Espinoza v Montana* has changed the landscape for some of them and I am not a lawyer. Rather, I include them in my testimony only to illustrate North Dakota’s long and principled intention that monies raised for public education and the provision of public services not be allocated to private, parochial, or home schools, or to the parents who choose to those schools for their children.

North Dakota United has a long history of opposing voucher enabling legislation. Unfortunately, HB 1281 is one such proposal. Vouchers come in many forms, often hiding behind euphemisms such as, “Opportunity Scholarships,” “Tax Credit Scholarships,” “Education Savings Accounts,” “Education Empowerment Programs,” and “Tuition Tax Credits.” All of them, however, have the same effect of diverting public funds intended for public schools and services to private schools or those educating their children at home.



Great Public Schools

Great Public Service

Chairwoman Bell and members of the Committee, North Dakota's public schools have the responsibility of educating every student that walks, runs, rolls, or is carried through our schoolhouse doors. To that list we must now add students who, due to the COVID-19 pandemic, are in hybrid or distance learning protocols. This is a responsibility unique to public schools and we embrace it whole heartedly because we agree with the principles enshrined in the North Dakota State Constitution.

Private and parochial schools do not share that responsibility. They do not have an obligation to educate every student. They alone determine who will and will not attend their schools. Often, private schools do not accept students based on ability because the financial costs of educating students with cognitive impairments are quite high. As a result, and with great pride, public schools educate these students.

Furthermore, Madam Chairwoman, diverting public funds to private or homeschools undermines the principle of accountability. Dollars that are allocated to North Dakota's public schools are managed by locally elected school boards which are held responsible for ensuring that the money is spent for the purposes for which they are intended. There is no public accountability for the money once it is diverted to a private school or to parents or guardians of homeschool students. Private schools and homeschools have nearly complete autonomy regarding how they operate, what they teach, and how they manage funds in their control. Around the country, we have seen many cases of waste, fraud, and abuse in voucher programs specifically because there is an absence of public accountability.

Finally, members of the Committee, I want to clarify two points:

1. There is no evidence that vouchers improve student achievement. Texas and Connecticut, two states without vouchers, saw student achievement growth because they invested in teacher quality and providing extra help for students who need it.
2. Vouchers do not reduce the cost of public education. In fact, they increase the cost because they require taxpayers to fund two education systems: one private and one public. Public schools, which educate the vast majority of North Dakota's students, will simply receive less funding. That means fewer resources for course offerings, as well as music, art, and athletic programs.

I want you to know, too, that ND United has no problem with school choice and never has. We just believe, like the framers of the ND State Constitution, that school choice should not be subsidized by the taxpayers of North Dakota.

For these reasons, Chairwoman Bell, and Members of the Committee, I strongly and respectfully urge a DO NOT PASS recommendation for HB 1281.

Thank you for hearing me today. I am happy to answer any questions.



1 **HB 1281 – Education Tax Credit**

2 **Testimony in Opposition**

3 **North Dakota Council of Educational Leaders – Dr. Aimee Copas**

4

5 Good day Chairwoman Bell, and members of the Senate Finance and Taxation Committee.
6 For the record, my name is Dr. Aimee Copas and I serve as the Executive Director for the ND
7 Council of Educational Leaders representing all school administrators, directors, and school
8 leaders.

9 I come before you today representing your school leaders recommending to you to take pause
10 before considering this bill to be the solution to education some of you may be searching for.

11 There are two key categories by which we ask that you contemplate with this bill (1) cost (2)
12 accountability.

13 This bill creates disparities in funding as well as other potential inequities. Please allow me to
14 begin by explaining the fiscal piece further.

15 The credit allowed to each family as amended is \$500 per student who was a full-time
16 student in a private or home environment for the entire school year (or \$250 for less than entire
17 year). If the amount of credit exceeds their liability for tax, that credit could be carried forward
18 in the subsequent year. The potential impact to state revenue is extensive. With an ongoing
19 average of about 6700 students in North Dakota going to private schools and close to 5000
20 choosing home school, the tax credit implication could be up to \$6.25M for just the first year of
21 this credit. With the allowability of carryover for a year – that number would be larger in year 2
22 and on. Year 2 below is an ESTIMATION of a 25% carryover.

23 **Year 1) Up to \$5,850,000 (new credits) (11700 students x \$500 credit)**

24 **Year 2) Up to \$7,312,500 (\$5.85M new credits + \$1,462,500 carryover)**

25 The cost to operate our public schools would not change. In fact, most of those costs increase
26 and an inflationary rate far greater than the increases in per-pupil payment provided by the state.
27 They would simply have less dollars to do so which will hurt the opportunity for the
28 overwhelming majority of our students. (Approximately 113,000 students in attendance at our
29 public schools). Our state is constitutionally obligated to provide a free public education – this



1 is one that all of our students are able to take advantage of. Along with a long-standing history
2 of greatly supporting public education, North Dakota also supports some of the broadest open-
3 enrollment policies in the nation and has virtually no oversight over home school education. At
4 each legislative session we see bills that ask for a fiscal benefit to sending a student to non-public
5 education or for adopting a home school educational choice – all choices readily available in
6 North Dakota. North Dakota has long also supported keeping the public tax dollars channeled to
7 the public schools for reasons far beyond public for public...it also has to do with equity – which
8 has created a situation of a general prohibitions on funding non-public tuition or funding home
9 school. But we must also remember that with that prohibition on funding also comes to the non-
10 public school and to the home school environment a broad swath of benefits those non-public
11 educational institutions would be cautious to give up.

12 Private educational institutions already are broadly exempt from the vast majority of laws
13 regarding education. Private institutions are exempt from testing requirements, reporting
14 requirements and student access requirements. Private schools effectively do not have to provide
15 access to all students, they have latitude to choose which students to whom financial aid is (or is
16 not) granted, and they can refuse to allow students on the grounds of religious belief. They can
17 discriminate by gender and disability. They are not required to have a Board that complies with
18 public information act requests, meets in public, or is held accountable by voters. Private schools
19 can expel students without regard to their continuing right to an education. They do not need to
20 offer compensatory services for students with disabilities. The list goes on and on.

21 So, I turn the question on its head: is it actually fair for the taxpaying public, as an entire body, to
22 subsidize any form of education that has the authority to exclude members of the public from
23 partaking in that form of education? Is it right to subsidize that form of education without the
24 same level of accountability expected of public schools?

25 Make private education and home school just as accountable under the same rules as public
26 education and I would imagine everyone would support vouchers.



1 We would ask you to consider other avenues and opportunities to provide flexibly within our
2 own current system of education to provide opportunities for these students and families. This
3 state has already supported extensive tax breaks for contributions to non-public entities and that
4 tax break looks to double to 50% in this session in HB 1137. That bill and honoring those
5 contributions is a far more reasonable methodology than doing so by tuition.

6 Please continue to invest in our public school system and show support in that system so that
7 families are taking advantage of the wonderful investment you've made in our state.

8

9 We ask for a DO NOT PASS of HB 1281.



NDSBA
NORTH DAKOTA SCHOOL
BOARDS ASSOCIATION

P.O. Box 7128
Bismarck ND 58507-7128
1-800-932-8791 • (701)255-4127
www.ndsba.org

HB 1281
Testimony of Amy DeKok
Senate Finance & Taxation Committee
March 9, 2021

Madame Chair Bell and members of the committee, my name is Amy DeKok. I am in-house Legal Counsel for the North Dakota School Boards Association. NDSBA represents all 178 North Dakota public school districts and their boards. NDSBA stands firmly in opposition to HB 1281.

Article VIII, Section 2 of our state constitution very specifically states that the Legislative Assembly shall provide for a uniform system of free public schools throughout the state. The ND Constitution does not include any provision for the financial support of private or home education. In fact, it explicitly states that no money raised for the support of public schools of the state shall be appropriated to or used for the support of any sectarian school. While this bill does not direct state funds towards non-public education exactly, it does ensure the state collects less in order to support non-public education.

Continuously, public school districts, their administrators and their staff are asked to do more with less. Costs associated with behavioral health, safety, staff benefits, social services, etc. continue to rise. So much so that we spent another interim studying our state's education funding formula – trying to understand how we could better provide for our public-school system with the same amount of money.

One way I am certain we cannot achieve that goal is to ensure there are less dollars available to input into the formula. While a parent certainly has the right to choose where and how they want their children educated, that choice does not and should not entitle them to the dollars provided for public education by our state constitution. Additionally, home and private schools are not subject to many of the same requirements that public schools are. This is often a reason parents cite in choosing non-public education for their children. However, state dollars, or an exemption from the taxes other citizens are required to pay, should not come without those same requirements.

NDSBA urges a Do Not Pass recommendation on HB 1281, and I would be happy to stand for any questions. Thank you for your time.



#7992

Mission Statement

Grand Forks Public Schools will provide an environment of educational excellence that engages all learners to develop their maximum potential for community and global success.

Mark Sanford Education Center
PO Box 6000 (58206-6000)
2400 47th Avenue South (58201-3405)
Grand Forks, ND
www.gfschools.org

Dr. Terry Brenner
Superintendent of Schools
Office: 701.787.4880
Fax: 701.772.7739
tbrenner270@mygfschools.org

March 9, 2021

To Respected Members of the North Dakota Legislature:

I would humbly asked for your reconsideration of HB 1281, an income tax credit for taxpayers whose children receive non-public school or home education. For centuries, there has always been a bright line between church and state and for centuries, public schools have been the cornerstone of American society. This bill, as written, is designed to divert approximately \$6 million of North Dakota public funds into private, non-public schools or home schools. For Grand Forks Public Schools, that would be a \$367,000 direct revenue loss.

As the legislature has already tipped its hat to a frozen per pupil payment (Foundation Aid) over the next biennium which equates to an approximate 4-6% loss in revenue, the prospective diversion of an additional \$367,000 is beginning to tell a story about how public schools are perceived by elected leaders. Given the pandemic environment we have been operating under for the past twelve months, this is not the time to convey to educators that they are not valued from a monetary perspective. Moreover, and during COVID-19, Grand Forks Public School District saw an increase in 82 students opting for home schooling, an unanticipated revenue loss of well over \$800,000. Public education has stood the test of time as it related to accountability while requirements for educational environments like home-schooling have loosened substantially.

During the 2017-19 biennia, Grand Forks Public Schools experienced a flat per pupil payment. Should the legislature repeat that formula for the 2021-23 school years, and approve HB 1281, our district will be left with no choice other than to increase class size, reduce the number of teaching and support staff and course offerings, and delay every expenditure “non-instructional” related during the foreseeable future.

Please reconsider and oppose HB 1281 as it portrays an “anti-public education” message.

Respectfully,

Terry Brenner, Ed.D, Superintendent

#7560,7607, 7645, 7893, 7903,
7907, 8190 & 8192

Dear Committee Members,

The response to the pandemic has clearly shown that America's education system favors politicians and teacher's unions over students, and that parents need the freedom to choose the school that would best serve their children. Students and parents greatly benefit from school choice, but unfortunately our education system here in ND does not offer that to citizens. However, HB 1281 would help to bridge the gap. This bill would assist in empowering parents to choose how and where their child is educated and would reduce financial barriers for families considering a variety of schooling options for their children.

Please render a DO PASS on HB 1281

#7638

I am asking you to support HB 1281 with a YES. As a parent of twins who attend a private North Dakota school, I understand the importance of being able to attend an alternative to public school. I also understand the cost of it. My children were not thriving in the public-school setting. Luckily, we were able to take on the financial burden that comes with private school. This bill would lessen that burden on parents, while offering them an alternative school setting.

#7875

Support for HB 1281 would mean giving credit back where it's due. As a homeschool parent that taught in public school and saw it fail my children, I needed to do something for my children to succeed academically without being locked in the "title room" most of the day. Homeschool one on one education has been working for us, but it does come at a cost. This bill would help support our efforts to customize education for our children.

Thank you for your support.

#7938

TO: Members of the Senate Finance and Taxation Committee
FROM: Dr. Leroy Huizenga
RE: HB 1218
DATE: March 8, 2021

Dear Honorable Senators:

As a taxpayer and home schooling parent who takes civic responsibilities seriously, I am writing in support of HB 1281.

Children have a right to an education funded by the state. I am happy that in this day and age a wide variety of options are available for children in our country—public schools (which I attended growing up in Minot and in which I received a superb education), private schools, parochial schools, charter schools, and home schools. Not every sort of school is right for every child; some thrive in some settings, others in other settings.

I also believe—on reasoned, philosophical grounds the western tradition has long worked out and articulated—that parents are the primary educators of their children, and know best what setting their children would thrive in.

To establish some measure of basic fairness, then, I would strongly support HB 1281, as it would be a step towards giving parents who believe a nonpublic setting is best for their children more practical capacity to exercise their freedom to choose how best to educate their children. Doing so would bring the child's right to a publicly-funded education and parents' rights to determine the best setting for their children's education into greater alignment than exists in our State at present. It would also greatly help my own family with the expenses we bear in educating our children at home.

Thank you for your consideration of this bill and my testimony, and I do hope you will vote in support of HB 1281.

Sincerely,



Dr. Leroy Huizenga
1709 Masterson Avenue
Bismarck, ND 58501

lahuizenga@gmail.com
701-595-3866

#7994



March 8, 2021

Dear Senate Finance and Taxation Committee,

Madam Chair Bell and members of the Senate Finance and Taxation Committee, Family Policy Alliance of North Dakota would like to formally indicate its support of House Bill 1281. It is our firm belief that legislation which provides incentives for school choice ultimately benefits all North Dakota families and their children. This bill will continue the positive strides taken in this direction last legislative session and will further expand support for educational opportunities. For these reasons, we respectfully ask for a "DO PASS" committee recommendation on HB1281.

Thank you for your consideration,

A handwritten signature in black ink that reads "Mark Jorritsma".

Mark Jorritsma
Executive Director
Lobbyist #147

1515 Burnt Boat Drive., Ste. C148
Bismarck, ND 58503

P 866.655.4545

UNLEASHING CITIZENSHIP

FamilyPolicyAlliance.com/NorthDakota




#8073

03/08/2021

I support this bill (HB 1281). Our parents here in Fort Totten, took on the challenge of supporting and providing instruction for our students when we had to close our school because of the pandemic. The parents came in with their students to check out devices and hotspots so that they could connect to zoom meetings and Google classroom. This was a steep learning curve for all. Last spring when we didn't have the devices for the students or the hotspots, the parents and students would join in on their personal cell phones. They worked with the instructors at the school (Tate Topa Tribal School) and tried their best to assist the school until we could get back in-person learning.

Respectfully


Jackie Thompson
Superintendent
Tate Topa Tribal School
Fort Totten, ND 58335

Chairman Bell and Committee Members,

My name is Theresa Deckert. I serve as the Office Administrator for the North Dakota Home School Association (NDHSA) and am also on the board of directors. I homeschooled my own children for 33 years and now am able to help tutor my homeschooled grandchildren.

The position of our state association is neutral on this bill, but I am offering personal testimony rather than on behalf of the NDHSA. Approval of this bill would be a small help to families who choose to homeschool their children. Parents make that choice for various reasons, sometimes that is an easy choice, but often it is very difficult. Many feel they really have no other choice.

As the office administrator for the NDHSA, I am the one who answers the phone and helps parents get started with homeschooling. I hear the stories and the frustration of many parents. Many opt for homeschooling because they do not feel that special needs issues their child has are being met by their local school and they don't have the option of a private school in their area. Some families feel homeschooling is their only option because their child is being bullied and the situation remains unresolved. Some begin homeschooling because their local district told them they had to because their child was being expelled for disorderly conduct (*yes, there are children in ND who are being denied a free public education*). Sometimes a child is dealing with mental or other health related issues and homeschooling is the only option. Finally many families have a deeply held religious belief that causes them to reject public education as their faith cannot be taught there.

None of the families mentioned above probably chose homeschooling as their first option, but rather felt they had no other choice. Most of these stories come from rural districts where there are no private schools.

I tutor one of my grandsons each week because of dyslexia issues. His parents have purchased a top notch curriculum which is working well, but any special needs curriculum is at least double the cost of a regular curriculum.

I estimate my family alone has saved the state over half a million dollars by me educating my own four children for all 12 grades plus kindergarten. A \$500 tax credit is a small compensation for families who truly take responsibility for their child's education. Please vote yes.

Thank you,
Theresa Deckert
4631 76th AVE NE
Devils Lake, ND
701-662-4790
District 15

Written Testimony in support of HB1281

Senator Bell and members of the Finance and Taxation Committee:

My name is Amy Gieser and I reside in district 33. I am a mother of 8 children and have been homeschooling for 13 years. I am testifying in support of Bill HB1281 which would provide a \$500 tax credit per student per year for non-public and homeschool students.

At present, homeschooling may be the fastest growing form of education in the United States. The homeschool population has been growing at an estimated 2% -8% per year over the past several years but grew drastically from 2019-2020. There were about 2.5 million homeschool students in the spring of 2019 and there are now an estimated 4-5 million students in grades K-12.

Nationwide, taxpayers spend an average of \$14,270 per pupil annually in public schools, plus capital expenditures. Today's roughly 4.5 million homeschool students represent a savings of over \$65 billion. Taxpayers spend nothing on most homeschool students whereas families spend an average of \$600 per student per year for their education. Homeschooling families also typically carry the added burden of living on a single wage in order for one parent to dedicate their time in teaching the children.

My own personal experience has always been that of planning and saving carefully to cover the cost of homeschooling my family. We must often do without newer and better curriculum and other tools that would greatly aid in my children's education. Extra-curricular activities are very limited due to cost. Yet despite all the sacrifices we make in this regard and going without a lot of the amenities afforded to public school children we have never regretted our decision to homeschool. Our family has benefited greatly from it. Yes there are stories of homeschool failures out there but 99% of the homeschooling families I have known over the years are responsible and dedicated to the education of their children. It is not an easy way of life, but it is very rewarding.

America has always been known for its diversity and innovative approaches to all areas of life and education is no exception. While public schools educate the vast majority of students, we should still be striving to provide for and encourage alternatives. The needs of families and children vary greatly. Society, families and especially the children all reap the benefits of this diversity.

In conclusion, I believe tax relief for homeschooling and other nonpublic schooling families will greatly aid their pursuit to educate their children to the best of their abilities and thereby raise responsible and outstanding citizens for North Dakota.

Thank you for your time and consideration,
Mrs. Amy Gieser

#8151

My children aren't being educated in the public school. There is no reason for the public school system to object. They are not educating these private/home schooled children yet my taxes go to support children that aren't mine. This makes no sense. I support HB1281.

Senate Finance and Taxation

HB 1281

Chairman Bell and Committee

I urge an overwhelming DO PASS on HB 1281, considering a 5-4 ruling by the US Supreme Court in June, 2020.

Religion and Schools

May a state exclude church schools from a state-sponsored tuition aid program that supports students in other private schools, or does that exclusion amount to unconstitutional discrimination against religion?

That is unconstitutional discrimination based on religion, the court said in a 5-4 ruling in **Espinoza vs. Montana**. The Montana Supreme Court had blocked the \$500.00 grants on the grounds that the state's constitution, like many state constitutions, stipulate bans, known as "Blaine amendments," on allocating tax dollars for religious purposes. The laws derive from 19th-century to ban Catholic families dissatisfied with Protestant-oriented public schools from obtaining a share of funding. Post-Espinoza, those rules no longer can deny religious schools, which make up roughly two-thirds of all private schools nationally, from participating in tax-credited scholarship programs. "Espinoza clarifies that school choice programs would be constitutional under a Blaine amendment. But, Chief Justice Roberts, writing for the court, said the discriminatory policy violates the 1st Amendment and its protection for the free exercise of religion.

In 2002, the US Supreme Court upheld the constitutionality of Ohio's Cleveland Scholarship Program in *Zelmer vs. Simmons-Harris*. The ruling held that the voucher program did not violate the Establishment Clause of the 1st Amendment, even if vouchers were used for religious schools.

Parents pay taxes for education and should be able to use those tax dollars to educate their children however and whichever school they want. It is not government's responsibility to tell me where to educate my children or grandchildren. That's not only my right, it's my duty, and I shouldn't have the

government telling me based on some random, geographical location that I have to go a public school.

Thank you

Gordon Greenstein

US Navy (Veteran)

US Army (Retired)

#8175

Senate Finance and Taxation Committee

Chairman Jessica Bell

March 9, 2021

Testimony of Gerald Vetter

President

State Association of Nonpublic Schools

gvetter@lightofchristschools.org

701-354-7067

HB 1281

Chairman Headland and members of the committee, my name is Gerald Vetter. I am president of the State Association of Nonpublic Schools and I submitting this written testimony on behalf this association.

As an association we are supportive of any effort to empower parental choice in education and to allow parents to choose to educate their children through the education environment that suits them best—whether that is through public schools, nonpublic schools, or home schooling.

On behalf of 6,770 students in nonpublic schools in North Dakota and their parents we ask for your support of HB 1281. The nonpublic schools in North Dakota save taxpayers of North Dakota in excess of \$160 million dollars* per biennium.

Thank You

**NDDPI School Finance Facts (Fall 2019) Non-Public enrollment of 6,770 students X average cost of education per pupil \$12,435.*

#8181

To: Senate Finance and Taxation Public Hearing

From: Nancy Lefor, Dickinson, ND

I am writing to ask your support of a **DO PASS** on **HB 1281**. Not only will my family greatly benefit from this bill, it is important to support school choice in general as well.

Thank you!

2021 SENATE STANDING COMMITTEE MINUTES

Finance and Taxation Committee Fort Totten Room, State Capitol

HB 1281
3/16/2021

A BILL for an Act to create and enact a new section to chapter 57-38 and a new subdivision to subsection 7 of section 57-38-30.3 of the North Dakota Century Code, relating to an income tax credit for taxpayers whose children receive nonpublic school or home education; and to provide an effective date.

Chair Bell calls the meeting to order. Chair Bell, Vice Chair Kannianen, Senators Meyer, J. Roers, Patten, Piepkorn, Weber are present. [11:06]

Discussion Topics:

- Home school tax credits
- Private school tax credits

Senator Kannianen [11:06] submits amendment [LC 21.0794.02001] #9589.

Senator Kannianen [11:08] moved amendment LC 21.0794.02001.

Senator Meyer seconds the motion

Motion carries by voice vote.

Senator Patten moved DO NOT PASS as Amended

Senator Piepkorn seconds the motion

Senators	Vote
Senator Jessica Bell	Y
Senator Jordan Kannianen	N
Senator Scott Meyer	N
Senator Dale Patten	Y
Senator Merrill Piepkorn	Y
Senator Jim Roers	N
Senator Mark Weber	Y

Motion carries 4-3-0

Senator Patten carries

Chair Bell adjourns the public hearing. [11:14]

Joel Crane, Committee Clerk

March 15, 2021

SK
3/16
1281

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1281

Page 1, line 3, remove "or home"

Page 1, line 8, remove "or home"

Page 1, line 11, remove ", or home"

Page 1, line 12, remove "education, as defined in section 15.1-23-01,"

Page 1, line 13, remove "To qualify for the credit under"

Page 1, remove line 14

Page 1, line 17, remove "or home education"

Page 1, line 20, remove "or home education"

Page 2, line 3, remove "or home"

Renumber accordingly

REPORT OF STANDING COMMITTEE

HB 1281, as engrossed: Finance and Taxation Committee (Sen. Bell, Chairman)
recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends
DO NOT PASS (4 YEAS, 3 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB
1281 was placed on the Sixth order on the calendar.

Page 1, line 3, remove "or home"

Page 1, line 8, remove "or home"

Page 1, line 11, remove ". or home"

Page 1, line 12, remove "education, as defined in section 15.1-23-01,"

Page 1, line 13, remove "To qualify for the credit under"

Page 1, remove line 14

Page 1, line 17, remove "or home education"

Page 1, line 20, remove "or home education"

Page 2, line 3, remove "or home"

Renumber accordingly

Sixty-seventh
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1281

Introduced by

Representatives Ertelt, Christensen, Lefor, Louser, Rohr, M. Ruby, Simons, Steiner

Senator O. Larsen

1 A BILL for an Act to create and enact a new section to chapter 57-38 and a new subdivision to
2 subsection 7 of section 57-38-30.3 of the North Dakota Century Code, relating to an income tax
3 credit for taxpayers whose children receive nonpublic school ~~or home~~ education; and to provide
4 an effective date.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1.** A new section to chapter 57-38 of the North Dakota Century Code is created
7 and enacted as follows:

8 **Nonpublic school ~~or home~~ education tax credit.**

- 9 1. A taxpayer is entitled to a credit against tax liability determined under section
10 57-38-30.3 for each dependent of the taxpayer who received nonpublic school
11 education, at a nonpublic school approved under section 15.1-06-06.1, ~~or home~~
12 education, as defined in section 15.1-23-01, for the entire school year ending in the
13 taxable year if the taxpayer is a North Dakota resident. ~~To qualify for the credit under~~
14 this section, home education must meet the requirements of chapter 15.1-23.
- 15 2. The amount of the credit is equal to five hundred dollars per student.
- 16 3. The amount of the credit under this section is reduced by fifty percent for a dependent
17 who received nonpublic school education ~~or home education~~ for less than the entire
18 school year, but at least one-half of the school year, ending during the taxable year.
- 19 4. A credit under this section is not allowed for a dependent who received nonpublic
20 school education ~~or home education~~ for less than one-half of the school year ending in
21 the taxable year.
- 22 5. If the amount of the credit determined under this section exceeds the taxpayer's
23 liability for tax under this chapter, the excess may be carried forward to the next
24 succeeding taxable year.

1 **SECTION 2.** A new subdivision to subsection 7 of section 57-38-30.3 of the North Dakota
2 Century Code is created and enacted as follows:

3 Nonpublic school-~~or home~~ education tax credit under section 1 of this Act.

4 **SECTION 3. EFFECTIVE DATE.** This Act is effective for taxable years beginning after
5 December 31, 2020.