



1 **HB 1281 – Education Tax Credit**

2 **Testimony in Opposition**

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

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5 Good day Chairman Bell, and members of the Senate Finance and Taxation Committee. For  
6 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.

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