2025 HOUSE EDUCATION

HB 1540

2025 HOUSE STANDING COMMITTEE MINUTES

Education Committee
Coteau AB Room, State Capitol

HB 1540
2/5/2025

Relating to an education savings account program.

2:29 p.m. Chairman Heinert called the meeting to order.

Members Present: Chairman Heinert, Vice Chairman Schreiber- Beck, Representatives, Conmy, Hager, Hatlestad, Heilman, Hauck, Jonas, Longmuir, Maki, Marchall, Morton, Novak, Osowski

Discussion Topics:

- Home School Exemptions
- Private school funding
- Education Savings account

2:30 p.m. Representative Koppelman introduced the bill and submitted testimony. #35405

3:06 p.m. Marie Frank, Parent, testified in favor and submitted testimony. #34328

3:09 p.m. Catrin Wigfall, Policy Fellow, American Experiment ND, testified in support and submitted testimony. #35231

3:19 p.m. Renee Heydt, Parent, testified in favor and submitted testimony. #35317

3:23 p.m. Emily Heydt, ND Student, testified in favor and submitted testimony. #35315

3:27 p.m. Kimberley Winfield, Teacher at Shiloh Christian School, testified in favor and submitted testimony. #35421

3:33 p.m. Dr. Amiee Copas, Executive Director NDCEL, testified in favor and submitted testimony. #35170

3:40 p.m. Amy De Kok, Executive Director NDSBA, testified in opposition and submitted testimony. #35424

4:05 p.m. Kristy Rose, Tricity Home Educators Association, testified in opposition.

4:15 p.m. Joseph Drumm, Vice President, Grand Forks Education Association, testified in opposition and submitted testimony. #34155

4:19 p.m. Paul Stremick, ND Student Study Council, testified in opposition and submitted testimony. #35408

4:22 p.m. Kevin Boden, HSLDA, testified in opposition and submitted testimony. #35314

Additional written testimony:

#33062, #33301, #33324, #33330, #33339, #33375, #33387, #33434, #33484, #33511, #33518, #33551, #33558, #33584, #33600, #33636, #33695, #33738, #33781, #33790, #33799, #33800, #33908, #33921, #34013, #34017, #34057, #34113, #34126, #34136, #34142, #34148, #34169, #34193, #34235, #34254, #34267, #34268, #34299, #34357, #34378, #34471, #34486, #34490, #34492, #34500, #34563, #34573, #34589, #34604, #34612, #34616, #34667, #34679, #34707, #34829, #34834, #34850, #34950, #34983, #34988, #34991, #35003, #35032, #35050, #35052, #35056, #35060, #35076, #35098, #35107, #35132, #35141, #35143, #35205, #35222, #35262, #35316, #35354, #35378, #35402, #35418, #34974, #34734, #34226, #34187, #34104, #34077, #33951

4:25 p.m. Chairman Heinert closed the hearing.

Addison Randazzo for Leah Kuball, Committee Clerk

Vote no on HB 1540

I would like to express my strong opposition to the proposed school education savings funds. While the intention behind these funds may be good, I believe they ultimately undermine the public education system and add to existing inequalities.

First and foremost, diverting public funds into education savings accounts takes vital resources away from our public schools, which are already struggling to meet the needs of students and staff. These funds, intended for the benefit of a select few, could instead be used to improve facilities, hire and retain teachers, and provide essential services for every child in our community. Our public schools are the backbone of our community, and they deserve our unwavering support.

Additionally, the lack of accountability and oversight with these funds raises serious concerns. Without proper regulation, there is a risk that funds may be mismanaged or used for purposes that do not directly benefit students' education. Public school boards were created to oversee our school districts to account for tax payer dollars. Our children deserve a transparent and accountable system that prioritizes their learning and development.

I urge you to vote no on HB 1540. Instead, let us focus on strengthening our public education system, ensuring that every child has access to a high-quality education. Together, we can build a brighter future for all students in our state.

Thank you for your time and consideration.

Deven Mantz

Minot, ND

District 5

As a grandmother of 11, I believe this bill would be a great advantage for all of them. Helping young families is the surest way for our grandchildren to receive the best education possible.

Senate Education Committee:

This is in strong opposition to Senate Bill 2303. With the slogan of "competition in education", Competition does bring out the best in educational institutions. Along with that comes "choice in education". We already have that choice in North Dakota. Students can attend a school of their choosing with the current laws of open enrollment, non-tuition agreements, private schools, and home schooling. The bigger question should be is who is to pay for a private or home-schooled education?

If the state wishes to spend money on non-public schools, should the state not make the rules of equal balance and enforcement of education law equal? Tilting the rules in favor of one organization over another that is geared toward the same goal of education is what I consider a violation of equal protection under the law.

If the State of North Dakota wishes to adopt this legislation, the legislative body should either have all private schools and home school parents follow the same rules as Public Schools do. The other alternative is to abolish all rules that the Public Schools must follow that Private Schools currently do not have to follow.

The current bill as written also has the following flaws and questions:

- The $8,858 payment or 80% for the program. After the mill levy deduct, the LaMoure School receives $8,198 from the state based on our Weighted Student Units. Based on these numbers, this is 74% of the Per Student Payment Rate from the state.
- The proposed legislation states a student (home school) shall not enroll in a public school. We have home school students in our district that enroll in music class, athletics, speech services, CTE class etc... does that mean now that they need to discontinue those public-school services?
- Will the state of North Dakota still support a private institution of education with state dollars if the focal point of their religion and school mission statement is controversial and not within the current religious affiliation we currently have for private schools in North Dakota?
- Will the state of North Dakota support a Private School Academy such as the IMG Academy in Bradenton Florida which is a private school that is sports-oriented around its students and programs. Should state dollars be used for this type of school?

The Education Savings Account bill is intended to strengthen the education system in North Dakota. I believe it will have the opposite effect. This will lead to weakening of the public school system. It sends the message from the legislature to our public schools and teachers that they are not doing their job. That is the furthest thing from the truth.

It is my hope that the legislature will pass legislation the "lifts up" our public education system and the educators in North Dakota who dedicate their lives to educating all students that come through their door. If this legislation is to pass, I foresee this as another point of chipping away at our public school system that will have an effect on recruitment of teachers to the public school system and the profession.

Below is a shortened list of the North Dakota Century Codes that apply to School Districts (Public Schools) that the laws do not pertain to Private Schools.

Respectfully Submitted – Mitch Carlson, LaMoure Public School

Century Code Reference	Public School	Private School
5.1-02-09: DPI Supt report to Governor financial status, value of property, cost of education, Salaries	Need to report	No Report
15.1-02-10: Finance Facts to legislative assembly of each school	Need to report	No Report
15.1-02-13: Employee Compensation Report of all teachers and administrators for comparisons	Need to report	No Report
15.1-02-19: Information regarding federally funded health insurance programs	Inform students	No need to inform
15.1-02-23: Chronically low performing school districts intervention.	DPI can implement rules	No rules
15.1-06-01: Free, open and accessible at all times to any child.	Take any student	Selection process
15.1-06-04: Calendar length of a minimum of 962 for elementary & 1,050 for High school. 4-day school week needs waiver from DPI. Virtual Instruction must consist of minimum hours.	Need to follow minimum	No reference
15.1-06-06: School involved in the school improvement process	Need to follow criteria	Does not apply
15.1-06-06: Employment of a school Superintendent	Need to employ	Not needed
15.1-06-13: Supt. Each district complies with health, safety, & sanitation	Following rules set forth	No reference
15.1-06-14.1: Youth patriotic society must be allowed to speak to students.	Need to allow	No reference
15.1-06-17: Shall display US flag on the grounds of each school.	Need to follow	No reference
15.1-06-19: Counselor requirements with student numbers	Minimum employment hours	No reference
15.1-06.21: Transgender student accommodation	Need to follow	No Reference
15.1-07-20.2: School District Business manager duties outlined	Follow for school districts	Does not apply
15.1-07-25: School District Records open to examination by any person	Need to follow	Does not apply
15.1-07-25.2: Board meeting minutes, payroll, revenue, expenditures, retention	Open to public	Not open to public
15.1-07-25.3: Policy on protecting student data	Need to implement	No Reference
15.1-07-25.4: Virtual Learning policy, reporting	Policy to follow	No Reference
15.1-07-32: student Performance Strategies for every 400 students through grade 3.	Need to employ	No Reference
15.1-07-36: Report to DPI spent on school safety and security measures.	Need to report	No reference
15.1-07-38: Policy needed if participating in school lunch program.	Need to participate	Optional
15.1-09: School Boards elections, terms, meetings, publications, workshops, authorities,	Need to follow	No needed

15.1-15-01: Performance reviews of teachers to be conducted.	Follow law set forth	No Reference
15.1-15-02: Non-renewal of contract of probationary teacher to follow rules	Follow law set forth	No Reference
15.1-15-04: Non-renewal of the contract of a teacher the steps you must follow	Follow law set forth	No Reference
15.1-15-07: Discharge for cause outlining the causes and the hearing procedure.	Follow law	No Reference
15.1-16-01: Teacher Representation and Negotiations rules, representations, good faith, impasse, strike,	Follow law	No Reference
15.1-17: Teacher Personnel files, complaints, response laws	Follow law	No Reference
15.1-19-02: Prohibiting Corporal punishment	Follow law	No Reference
15.1-19-06: School personnel cannot refer to a person for a abortion	Folow law	No Reference
15.1-19-09: School need rules regarding suspension and expulsion.	Follow law	No Reference
15.1-19-18: Bullying prohibition and policy to follow for school districts.	Follow law	No Reference
15.1-21-05.1: Critical Race Theory prohibited to teach	Follow law	No Reference
15.1-21-08: State Testing of students in reading, math, and science. Publication of results.	Need to test	No testing required
15.1-21-17.1: Interim testing of students grades K-10. Twice a year.	Need to test	No testing required
15.1-21-18: Career Interest Inventory to administer.	Need to administer	No Reference
15.1-21-21: Teaching of personal finance,	Need to teach	No Reference
15.1-21-28: Health curriculum must include 3-minute video on human growth.	Need to teach	No Reference

To whom it may concern:

I am writing in opposition to HB 1540.

This bill threatens the integrity of our public education system by using taxpayer dollars for private schools, which are not held to the same transparency, accountability, or accessibility standards as our public schools.

No matter what this bill is called—education savings accounts, scholarship programs, or otherwise—if it diverts public dollars to private schools, it is a voucher. North Dakotans have consistently opposed voucher programs, and I strongly urge you to do the same.

Public funds should remain in public schools, where they serve all students, regardless of ability, background, or financial status. Our public schools are the foundation of our communities, and instead of diverting resources away from them, we should be investing in smaller class sizes, support staff, mental health resources, and competitive wages for educators.

I strongly urge you to vote NO on this voucher bill and to stand with North Dakota's students, families, and educators in preserving a strong public education system.

Thank you for your time and consideration. I appreciate your service to our state and look forward to your support in keeping public dollars in public schools.

January 31, 2025

North Dakota House Education Committee
State Capitol
Bismarck, ND 58501

RE: Endorsement of HB 1540

Dear House Education Committee:

My name is Amanda Dukart. I live in the Mandan school district, and I am a parent who has chosen to enroll my children in Christ the King Catholic Montessori School.

I support House Bill 1540, but I am in support of all school choice bills that support parent autonomy and the right to provide an education for my child. I support House Bill 1540, which would establish state-funded educational savings accounts for K-12 students' educational needs, because three of our children currently attend a private school, so this would majorly affect our family directly.

The first reason we support this bill is because we would experience first-hand the benefits of our tax dollars toward education. The second reason is because we currently make many financial sacrifices so that our children can attend a private school. We find that the sacrifice is worth the benefits, but if the bill were passed, we would also be able to save more money to help pay for our children's higher education in later years. The third reason we support HB 1540 is because we are paying tax dollars toward education, but we also reserve the right to choose a private institution that provides a religious and Montessori education.

We have seen the benefits of this approach to education in the lives of our children, forming in them independence and a love of their faith. They love their school and the freedom it provides for them to choose how they learn. I also attended the same institution as a child, so the school feels like home to us. We are grateful for a school that teaches the same exact values as what we teach our children in our home, and we get a say and are very involved in that process.

Please vote in favor of HB 1540. There are numerous great families and schools that will benefit from assistance with private education, and a financial burden will be lifted in each of their households. Thank you for your service to the state of North Dakota and for your time on HB 1540.

Sincerely,

Amanda Dukart
511 13th St. NW
Mandan, ND 58554

Testimony 02/01/2025

In support of the Bills HB1590, HB1607, HB1540, and SB2303.
We, Neil and Gaylne Schweer, support these bills listed because our child attends Our Redeemer's Christian School, an approved Christian School in Minot, ND.
We are property owners in Minot, ND and have paid property taxes for the last 11 years, which some of those tax dollars go to support Public Schools.
Our child has been enrolled in Our Redeemer's Christian School for 8 of those 11 tax paying years, all of our son's education has been learned at Our Redeemer's Christian School.
My husband and I have paid full tuition for each of those 8 years for our child to attend our school of choice.
As parents, we feel the importance of our son learning in an environment that teaches and promotes our religious beliefs.
We feel our son is succeeding, and well is educated due to going to Our Redeemer's Christian School instead of public school.
I do not think it is fair treatment for the State of North Dakota, to financially support only Public Schools. Please recognize the unfair treatment of parents trying to direct the education of their children in alignment with our religious practice by providing a means of financial support to us who choose to send our children to a Christian School, as it is very important to our families.
Thank you
Neil and Gaylne Schweer
1512 11th St SE Minot, ND 58701

Testimony in Support of House Bill No. 1540 – Expanded Education Savings Accounts (ESAs)

Submitted by Christopher Hansen
District 16 Resident & Parent
JPII Catholic Schools

Hello House Education Committee,

My name is **Christopher Hansen**, and I live in **District 16**. I am a parent who has chosen to enroll my children in **JPII Catholic Schools** because I believe they deserve a **high-quality, faith-based education in a safe and structured learning environment.**

I am here today to **strongly support House Bill No. 1540**, but I also **support all school choice legislation** that allows parents to **make the best educational decisions for their children** without financial hardship. I support **HB 1540** because it expands **Education Savings Accounts (ESAs), allowing 80% of per-student state funding to be used for tuition, textbooks, and tutoring.**

Our family has experienced both **public and private education**, and we made the **intentional choice to switch to private school** due to the **declining safety and accountability issues in public schools**. Our son attended and graduated from public school, and during that time, we saw multiple incidents of **violence, school lockdowns, and legal issues involving teachers and administrators.** Instead of focusing on **educational excellence**, too many public school teachers prioritize **socializing with students instead of teaching them.** This was **not acceptable** for my daughters' education, which is why we made the **financially difficult choice** to enroll them in a private Catholic school.

However, tuition costs are **a major challenge** for families like mine. We have had to **cut expenses everywhere possible** to provide our children with the education they deserve. **HB 1540 would alleviate this burden by allowing families to use state funding for private school tuition, tutoring, and other essential educational expenses.**

By **allowing funding to follow the student**, HB 1540 ensures that **parents—not government bureaucrats—decide what is best for their children. This bill levels the playing field** for families who want a better education for their children but struggle with affordability.

I urge you to vote in favor of HB 1540 to provide families with the **financial support and autonomy they need** to choose the best education for their children.

Thank you for your service to the state of North Dakota and your time on **House Bill 1540**.

Sincerely,
Christopher Hansen

Hello House Education Committee,

My name is Taylor Gall. I live in District 25 and I am a parent who has chosen to enroll my child in St. Anne's Catholic School.

I support HB 1540, but I am in support of all school choice bills that support parent autonomy and the right to provide an education for my child. I support HB 1540 because we are trying to raise a family that follows more closely in line with our values and beliefs as Catholics. We are a family of 5 and are on a strict budget with only one person working because we believe in the value of being able to raise our kids on our own at home. We know that going to a private school isn't necessary and is our choice to attend but we feel so strongly about our kids getting the best education. To us, there is nothing better than our child coming home and talking about God and what they learned from the core values that are taught in school.

Being able to get assistance from the state from our tax dollars would help lessen the financial burden of tuition and all of the other costs that are present when attending private schools.

I urge you to vote in favor of HB 1540.

Thank you for your service to the state of North Dakota and your time on HB 1540.

Hello Education Committee,

My name is Aimee Bachmeier. I live in District 0802, and I am a parent who has chosen many different school choices for my children. I support SB 2295, SB2303, SB2400, HB 1607, HB 1590, HB 1540 school choice bills that support parent autonomy and the right to provide an education of choice for my children. Over the years, I have chosen many different methods of education for my children: private school, homeschool, and public school. Each of these choices was based on each individual child's needs and on our financial status.

For example, my oldest child was enrolled in a private elementary school. We loved the faith that was integrated in the school and the small class size, but he was severely struggling academically. At that time, we didn't feel it was the best choice to enroll him into public school. So, I left my job as an Assistant Professor at Bismarck State College and homeschooled. I homeschooled all 4 of my children for 5 years. It was very difficult financially, as we were living on one income. Due to financial constraints, we had to decline some field trips and activities, and I had to choose affordable homeschool materials. Often the materials were used and prewritten in and sometimes we would borrow materials from fellow homeschoolers. We became very creative and utilized the free resources we had in the community to help our children grow academically and spiritually. Before my eyes, I witnessed leaps and bounds in my oldest child's educational understanding. Eventually, he tested out of the IPP (IEP) program, and I no longer needed to submit my educational plan to the public schools. As he got older, he enrolled in public school. He was point one away from graduating with honors at the public school. This is a huge accomplishment! This was a child that went from barely being able to write in 7th grade to getting an A in high school and college English and is now on the dean's list at University of Mary. I cannot stress enough that parents know what is best for their child. It would have been so helpful to have the option of financial assistance while I was homeschooling and to have the support of my ND government during this time in my children's educational journey. My child's education was successful because we decided to homeschool him and pay for homeschooling using our own financial means. After we left homeschooling, we wanted to enroll our children back into private Catholic schools. However, we were on one income, and it was unaffordable. We still had small children that we were raising. We wanted our children to be raised with faith as a part of their schooling. We believe that it helps them to not only grow and learn academically but also spiritually. Because we had no choice, we enrolled them in the public school system. This is why school choice is so important to me and our family. If our ND government had supported our family with educational financial assistance and had supported school choice, then this would have opened our options and given us more autonomy in making decisions that we feel would be best for our children. Instead, we had no choice but to send our older children to the public school system. Currently, our two younger elementary age children go to the private Catholic school, and we are enduring a financial burden because we made the choice to send our children to Catholic schools. I should be able to use the money I pay for taxes to send my children to the school of choice.

I urge you to vote in favor of these bills SB 2295, SB2303, SB2400, HB 1607, HB 1590, HB 1540. Thank you for your service to the state of North Dakota and for your time on the Senate Educational Committee.

Sincerely,
Aimee Bachmeier

Members of the House Education Committee,

I am Brenda Seehafer, an elementary Title I reading and math teacher from Rolla, ND. I am asking you to oppose the following three bills: HB 1540, HB 1590, and HB 1607. All three of these bills relate to educational savings accounts.

Public dollars belong in public schools, which is the bottom line of my opposition to these bills. Private schools are just not held to the same transparency, accountability, or accessibility standards as our public schools; private schools don't have to take **all** students. Private school vouchers/educational savings accounts do not save taxpayers money and have resulted in multi-million-dollar deficits and tax increases in places like Arizona. Only 17 of our 53 counties or about 32% of North Dakota counties have access to a private school, so why would we do this? Why should rural North Dakotans foot the bill to send city kids to private schools, because that is just what these bills do to rural North Dakotans.

I am asking you to oppose HB 1540, HB 1590, and HB 1607. Don't use our public dollars on vouchers or educational savings accounts because that is not what North Dakota needs or wants.

Hello Senate Education Committee,

My name is Chris Ahlers and I live in the Fargo public schools district. I am a parent who has chosen to enroll all five my in the St. John Paul II Catholic Schools network.

I support HB1540 and I am in support of all school choice bills that help create parent autonomy and the right to provide an education for my child. I support HB1540 because sending my children to a private schools gives them something more than what they could get at a public school. It is not my perspective that North Dakota has inadequate public schools but instead private schools can provide something above and beyond what public schools can provide and that is something my wife and I *choose* to provide for our children.

In 2024, US News and World Report ranked the states and unfortunately we have the lowest overall education ranking in the four state area. Definitely room for improvement.
[Source: https://www.usnews.com/news/best-states/rankings/education]:
- North Dakota as #28 in education (#34 in Pre-K - 12 and #12 in higher education)
- South Dakota was #15 in education (#29 in Pre-K - 12 and #7 in higher education)
- Minnesota was #17 in education (#17 in Pre-K - 12 and #18 in higher education)
- Montana was #22 in education (#27 in Pre-K - 12 and #16 in higher education)

We all value choice in our daily lives and where we put our money and our time is how we "vote" for the choice we make. As parents, we want a different education for our children. We desire to have our Christian values woven into their daily instruction and education. We desire the opportunity to make that choice and a voice to choose and we wish more families had the same opportunity to make that choice without significant financial burdens.

I urge you to vote in favor of HB1540 and to give parents a voice and the opportunity to make the choice that they feel is best for their children.

Thank you for your service to the state of North Dakota and your time on HB1540.

Chris Ahlers
Fargo, ND

Hello House Education Committee,

My name is Reed Mesman. I live in District 3 and my wife and I have chosen to enroll our children in the Our Redeemer's Christian Christian School in Minot, ND. I support this bill, and I am in support of all school choice bills that support parent autonomy and the right to provide an education for my children. I support this bill because I have strong beliefs, values, and morals in not only my faith and religion but also our individual rights as parents in our personal responsibility for the raising and upbringing of our own children however parents seem fit. My wife and I both grew up and attended private Christian schools from K-12. Our parents did not have much money back then but believed so strongly in the kind of faith-based education we received that they made great financial sacrifices for us. My wife and I feel this way as well and choose to do the same with our children. It's not that we don't like or that we disagree with the public school system, rather it is about the choice to choose the education system for our children that we deem best when we have the option available. I believe as North Dakotan's we all share these God-given rights and beliefs in our hearts and the same care about our children. This is not always an easy choice as it comes with a great financial burden. Not only do we pay for private education for our children but we also pay taxes for the local public school system, which we do not benefit at all from. In this sense we pay double for our choice, but we have no say in the matter of where our tax money goes. As tax payers, we would like to see our tax money benefit our own children as well and the school system they are part of.

I greatly urge you to vote in favor of this bill. Thank you for your service to the great State of North Dakota and your time and dedication to this bill.

Sincerely, Reed & Carrie Mesman

NORTH DAKOTA Family Alliance LEGISLATIVE ACTION

Faith · Family · Freedom

Testimony in Support of House Bill 1540

Mark Jorritsma, Executive Director
North Dakota Family Alliance Legislative Action
February 5, 2025

Dear Chairman Heinert and honorable members of the House Education Committee,

North Dakota Family Alliance Legislative Action would like to testify in support of House Bill 1540 and respectfully requests that you render a DO PASS on this bill.

Educational options are in high demand nationwide as parents seek out the best opportunities for their children. There are now 34 states and territories that currently offer some type of school choice program[1], and we would love for North Dakota to join those ranks. Educational Savings Accounts (ESAs) and similar programs are some of the most popular types of school choice options because they offer families more educational flexibility through state financial support.

This bill would provide a state grant to families who choose not to enroll their students in public school. The funding could be used towards an array of qualified educational expenses. We are pleased that this covers many student scenarios and provides a financial benefit to families who utilize options outside the public school system.

We strongly support this type of program in North Dakota, because it gives families more options as they consider the best educational fit for their children, their child's most effective learning techniques, and specific circumstances. In addition, a school choice option such as this allows families to consider more educational choices than may have been possible on their own income alone.

For these reasons, North Dakota Family Alliance Legislative Action respectfully requests that you vote House Bill 1540 out of committee with a DO PASS recommendation.

[1] https://excelinedinaction.org/2025/01/07/the-rise-of-eas-continues-10-states-take-action-on-school-choice-in-2024

1515 Burnt Boat Dr., Suite C-148, Bismarck, ND 58503
mark@NDfamilyalliance.org
701·355·6425
www.ndfamilyalliance.org

Thank you for the opportunity to provide this testimony, and feel free to contact us if you have any questions.

Sincerely,

Mark Jorritsma
Executive Director
North Dakota Family Alliance Legislative Action

1515 Burnt Boat Dr., Suite C-148, Bismarck, ND 58503
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www.ndfamilyalliance.org

Hello House Education Committee,

My name is Chantelle Woodbury. I live in District 8 and I am a parent who has chosen to enroll my children in St. Mary's Catholic School. I support HB1540, but I am in support of all school choice bills that support parent autonomy and the right to provide an education for my children. I support HB1540 because while I have been fortunate enough to be able to afford to send my children to the school of my choice I have friends and family members who have not been so lucky. My niece recently was having problems with bullies at her local public school which led my brother to look into the local private school but it was not an option financially for his family. Please put children first in our state by opening up more options for families so our children can receive the best education possible. I urge you to vote in favor of SB2303. Thank you for your service to the state of North Dakota and your time on HB1540o.

Chair Owens and the members of the House Education Committee,

My name is Melissa Buchhop and I am a 4th grade teacher in the Grand Forks Public Schools. I urge a DO NOT PASS on HB 1540. No matter what these bills are called—education savings accounts, scholarship programs, or otherwise—if they divert public dollars to private schools, they are vouchers. Public funds should NOT be going to private schools. Taxpayer money is for public entities.

As a taxpayer, I pay for public parks and our local park district in Grand Forks. As a parent I can decide that I don't want to take my child(ren) to the public park and instead put up a playset in my yard. This does not mean that I now get to ask for public funds to fund my playset because I am not using the public parks. The same goes for schools. I can choose to send my child to private school or homeschool, but I do not and should not get tax money to pay for that private school or to homeschool.

Private schools don't have to follow the same rules as public schools, they can choose to reject students based on disability or socioeconomic status. Public dollars should be used to strengthen our public schools (our teachers, support staff, mental health resources, and students), which are for everybody, not to subsidize private institutions that serve only a few. We need the legislature to invest in public education, not dismantle it.

Thank you for your time and consideration.

Sincerely,
Melissa Buchhop

February 3rd, 2025

Chair Heinert and members of the House Education Committee,

My name is Samantha Harrison, a current resident of Mandan and former public school teacher. I am writing to you to urge a “Do Not Pass” recommendation and a “No” vote on HB 1540.

This testimony will, exhaustingly, mirror testimony I am submitting for five other bills that have been introduced this session. No matter what they are called, education savings accounts, scholarships, or tax credits—if they take money from public schools and funnel it to private institutions, they are vouchers, and I and other public educators current, former, and future vehemently oppose them.

The purpose of the public school system is to serve every child, regardless of income, ability, or background. Private and religious schools are not held to the same standards, and as a taxpayer in North Dakota, I oppose my tax dollars being used to support private education in any way. The State should be investing in the public school system, rather than be complicit in funnelling money away from it.

I urge a “Do Not Pass” recommendation from the committee and a “No” vote on the floor on HB 1540.

Sincerely,

Samantha K. Harrison
District 34

Chairman Heinert and members of the Education Committee,

My name is Jeff Ringstad, I am the school administrator at Our Redeemer's Christian School

I would like to provide testimony regarding two common arguments from our opposition when it comes to providing state support for parental choice in education. We commonly hear that it is not fair if we do not admit every student that wishes to attend our schools, and if state funding is made available to private schools the accountability should be the same as public schools.

Admissions

As a Christian non-public school, I am often asked about how we admit students. Must families meet certain criteria in order to receive an invitation? This question is easier to answer from a standpoint of what would disqualify a family.

1. Faith is our primary reason for denying families. If families intend to enroll students, but cannot offer any applicable testimony, no church home, or actively oppose Christian ideals – they are denied. The mission of our school really focuses on two key areas: knowing each student so that we can challenge each according to their abilities with a level of rigor that will spur educational growth, and to share the Gospel every day to spur spiritual growth.
2. Available space. Just as a public school can and will deny open enrolled students once the physical space has all been utilized. Non-publics do not have a defined district and thus may deny admission once a class is full.

The truth for us is that over 80% of our revenue comes from collection of tuition. It is our goal to have a full school of tuition paying families. We have students that are denied, but this is a very small number.

A common misconception that I hear from families interested in attending my school are that students with disabilities are not admitted. We admit many students with disabilities, but because we do not receive state funding we are limited in resources and ability to meet the needs of all students. In certain rare cases, we have shared with parents that a public school would be capable of offering additional needed services that would be best for the child. We have students with learning disabilities, physical disabilities, students on the autism spectrum, and a wide range of learners.

Once we have admitted students, they are our students, and we exhaust our resources to find a successful outcome. I ask that the state of North Dakota take the same viewpoint. The students at Our Redeemer's Christian School are North Dakota students in which families have made the choice to pay tuition. Our request is simple, provide the financial support to educate all students residing in North Dakota. This bill requests a modest dollar amount, much less than what public schools receive via state aide.

Accountability

North Dakota public schools have different measures of accountability than non-public schools. Public school leaders point to the differences in open meeting laws and school board century code, being accountable to the state within their budgets, and student test scores. Non-public schools are not part of these same accountability standards, but we are held to a different standard. The families that are willing to make a financial investment in their child's K-12 education hold the school very accountable. Our parents are also our customers, and there are very high expectations that are communicated daily. Our school is held accountable by 175 parents that are very aware of what is happening within the school at all times.

Summary

We are different than public schools because of faith and funding. We are similar to public schools in that we are educating students and preparing them for the world after high school. Our teachers are licensed through the ESPB the same way public school teachers are licensed. Our students are assessed and found to be learning at expected rates. Our Redeemer's Christian School has been successful without state funding, but this bill is not for the school. This bill is right move for the families desiring a choice in education and supporting the education of every ND student.

Respectfully,

Jeff Ringstad
School Administrator
Our Redeemer's Christian School
Minot, ND
701-797-7118 (cell)

BOARD OF EDUCATION
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Elementary School Fax: (701) 683-4415
"Providing Equal Opportunities for Employees and Students"

To Whom It May Concern,

I am submitting written testimony in opposition to HB 1540. This bill seeks to redirect public funds to support private education, which undermines our state constitution. The constitution clearly states that no money raised for public schools shall be used to support sectarian schools in North Dakota. It mandates that we fund a uniform system of public education. The students who attend public schools in North Dakota deserve this commitment.

While I believe Education Savings Accounts (ESAs) can benefit students across North Dakota, the provision in this bill that funds private schools should be removed. Doing so would create a fairer system for all families, regardless of where they live, allowing them to receive ESA dollars without violating our constitution.

Public schools in North Dakota serve 90 percent of students. Our public schools accept all students, regardless of their background—whether they have disabilities or face severe mental health challenges. No other entity in North Dakota provides such inclusive services. The work our public schools do is challenging and vital, requiring a strong financial commitment from our state to ensure that all students have the resources they need to become productive members of society. Our students are the future of our state and country, and investing in them should be a top priority.

I have no issue with ESAs benefiting all students across our state. My concern is that ESAs should not be directed towards families who choose to attend private schools. Attending private school is a choice, and public dollars should not be used to support that choice.

Sincerely,

Justin Fryer, Superintendent
Lisbon Public School District

ND House Education Committee:

My name is Amber. I live in District 7, and I am a parent who has chosen to enroll my children in Light of Christ Catholic Schools. Thank you for taking the time to read my comments and for studying HB 1540!

I support HB 1540, but I am in support of all school choice bills that support parent autonomy and the right to provide an education for my child. I support HB 1540 because I believe parents should have another option if they know government/public school is not a safe place for their children to be taught.

I wish I could say religion is what initially made us chose Catholic school, but it was truly fear of what has engulfed public schools. I can't say choosing to pay for private school is easy! It is a tremendous financial undertaking! But as a parent, protecting your children is your top priority.

There are many terrifying things in our government schools today that where not there when us older generations went to school. Phones and all that comes with them, homosexual pornographic books in the libraries, gender confusion- boys in the girls' bathrooms and girl sports and kids identifying as animals and using strange pronouns, mental instability in peers, indoctrination to hate our Country, teaching white guilt/privilege, pushing equity instead of equality, many are not able to speak English, and drugs to name a few most concerning to me. These are the reasons I knew I didn't want my children in the government school environment.

My husband has a background in Law Enforcement. Conversations with youth officers are what led him to favor a private school for our children. School Resource Officers have said they see less crime in the private schools, also kids' "innocence" seems last longer in the private schools. They just stay kids a little longer. This was another rationale that drove us to look elsewhere from government education.

There is a reason many school choice bills are passing in states around our Country. Something in our government schools is broken. Kids are not as safe. Kids test scores are declining rapidly, many cannot even read. And our youth has never been this depressed and mentally ill. I am afraid government schools are more influenced by the teacher union interests than that of students and parents. I believe the unions are what drives the hostility to school choice bills. Because if you really want what is best for each child, wouldn't you be more than happy to see them at the school that is going to bring out their full potential, not just the school government-assigned to them down the street? Since we started at our Catholic school, I have seen the class sizes grow in just a few short years. More and more parents are taking the better option for their kids' education.

I wanted to point out there are many more reasons than only religion as to why parents may want to choose a nonpublic school. I firmly believe parents know what is best for their children, not the State or teacher unions. Which is why I believe it is important to support parents' fundamental right to do what they know is best for their children. Bill 1540 will help more parents do what's best no matter their finances.

Thank you very much for your service to the state of North Dakota doing what is best for our state's future generations. I urge you to support HB 1540.

I am writing in favor of HB 1540. We've chosen to send our four children to a private school, but it has come with great cost. Our children have received superior education but feel that it is time to give parents a bit of freedom with their tax dollars for their children. Any savings accounts/matching grants, etc. will help offset this cost.

Thank you for your work and consideration,

Renae Arnston

February 3, 2025

Written testimony against ESA and EEA:

To Whom it may concern:

As a public school superintendent, I have some concerns over upcoming bills establishing various EDA and EEA to support families enrolling students in non-public or home schooling programs.

1. My first concern regards oversight. As a public school, we have many state laws we must follow and much data to report to the state. As is appropriate, there is a significant amount of oversight as to how we spend public money and can show student accountability. Private schools, charter schools, and home schooling lacks this oversight. This does not seem fiscally responsible or fair.

   Indeed, I have had inquiries about enrolling former home schooled students in my school district where the parents have stated that they actually did NO schooling for several years. Under the current system, home schooling parents have no requirements to prove that their children are receiving an education. They can take the state exams but may also choose to opt out. Will the state hand out money to families without making sure that it is used toward education? How will the home-schooled families demonstrate that the funds were used appropriately?

   Should the legislature approve any of these measures, the entities receiving the funding should be subjected to the same oversight that public schools work under.

2. My second concern regards equity. Private schools and, I presume, charter schools if passed, are generally located or will be located in the large cities of ND and therefore not available to rural students. Some private schools may set up a virtual academy, but I can tell you from much experience, that many students do not do well under this learning model. It would have limited appeal.

   Also concerning equity is that private school may select which students to accept. They can choose to accept only the highest-performing students while denying entry to students with greater (and more expensive) needs. Public school, by law, must educated ALL students regardless of cost.

   Will providing money to private, charter, and home-schooled families reduce the amount of money available to fund public schools, who provide the most equitable education by accepting and educating ALL students? Will it take away funding from rural schools, who already struggle with less funding (because of fewer students) and less access to services? If so, this would hardly be considered increase equitability for our ND students.

3. Is providing public funding to religious-based schools legal? Are we violating ND Century Code?

To whom it may concern:

This bill would greatly help our family. We believe our children need to incorporate their faith into their every day lives. They have teachers and friends that work with them and spend time with them and learn together at their schools each and every day. We need to send them to these schools because this is where they learn the best and where they learn what our family wants them to learn and HOW our family wants them to learn. It is very important to us that we educate our children in these ways and at these schools. We have 4 children not attending the public schools in Bismarck/Mandan, they are all at private schools for many reasons, and this is important to our family. We would greatly appreciate this bill helping us best educate our children in the ways we need to for in household.

Thank you.

Sincerely,

Laura Gardner

Mandan, ND

Subject: Oppose Educational Savings Accounts – Protect Public Education

Dear House Education Committee

I urge you to oppose any legislation promoting Educational Savings Accounts (ESAs), which funnel taxpayer dollars away from public schools under the misleading promise of "school choice." These programs weaken our education system by diverting funds to private institutions, often with little accountability or oversight.

Public dollars should stay in public schools. ESAs primarily benefit families who can already afford alternative education options while leaving behind the vast majority of students who rely on well-funded public schools. Instead of improving education, ESAs create a two-tiered system that drains resources from the very institutions that serve most children. Most rural district students do not have the option to attend a private institution due to the travel involved to commute to a more rural community.

Rather than propping up private and unregulated education programs with public money, we should focus on strengthening our public schools—hiring more teachers, reducing class sizes, and improving resources. Every child deserves access to a strong public education, not a system where only a select few get the best opportunities.

I urge you to stand against ESA expansion and protect public education for all students.

Sincerely,

Steven Heim

Dear House Education Committee,

I am writing to express my strong opposition to HB 1540. Regardless of the name given to these initiatives—whether education savings accounts, scholarships, or tax credits—if they divert funds from our public schools to private institutions, they are effectively vouchers. This is a dangerous path that threatens the integrity of our public education system, which is designed to serve every child, regardless of their ability, income, or background.

Instead of funneling public dollars to private schools that lack the same standards of accountability and accessibility, we should focus on investing in our public schools. Our educators, support staff, mental health resources, and students deserve our support and funding. This investment is crucial for maintaining a robust educational environment that benefits all children in our community.

I urge you to reconsider the implications of HB 1540 and to prioritize our public education system. The future of our children and the strength of our community depend on it.

Thank you for your attention to this critical issue. VOTE NO on HB 1540.

Sincerely,
Matt Liebel

Americans for Prosperity North Dakota – IN SUPPORT HB 1540

Americans for Prosperity strongly supports educational choice.

We are in support of educational savings accounts; we urge you to support HB 1540.

Key Components of a Strong Education Savings Account (ESA) Bill for North Dakota.

These are the essential components and recommendations for crafting a robust Education Savings Account (ESA) bill in North Dakota. The goal is to provide all families with access to high-quality educational options and ensure equitable participation for all school-age children in the state. A strong ESA bill should prioritize accessibility, transformative funding, and flexibility for students, while maintaining an efficient implementation process.

Must-Have Components

1. **Universal Eligibility**
    - **Definition:** All school-age children in North Dakota should be eligible for an ESA. The bill should phase in universal eligibility over a short period to maximize impact and inclusivity for every family.
2. **Transformative Funding**
    - **Goal:** The ESA funding must be substantial enough to significantly enhance educational opportunities for families, particularly those from lower-income backgrounds. The funding should enable access to a wide range of non-public educational options (e.g., private schools, tutoring, online learning, educational therapies).
3. **Opt-In Participation**
    - **Principle:** The ESA program should be voluntary for families and non-intrusive to private educational providers. It should not automatically categorize any family as an ESA participant. Additionally, it should create a separate category for students receiving alternative instruction (home-schoolers) and ensure it does not interfere with existing alternative education laws.

4. **Low Barriers to Application**
    - **Access:** The program should have minimal bureaucratic hurdles, with no income qualifications required. Families should be able to easily access the program regardless of their financial status.
5. **Broad Educational Choice**
    - **Flexibility:** The ESA should provide a wide range of educational options for students. Rather than narrowly defining what is an acceptable expenditure (e.g., curriculum categories), the focus should be on creating robust and diverse educational opportunities, allowing families to tailor education to their child's needs.
6. **Ease of Implementation**
    - **User-Friendly:** If a third-party vendor is used for administering ESAs, the system must be easy for families to navigate, ensuring that there are no delays or barriers in accessing funds. Avoid reimbursement processes that create additional financial burdens on families and require excessive administrative staffing.

No-Go Provisions of a Strong Education Savings Account (ESA) Program for North Dakota

1. **Overly Harsh Accountability Measures**
    - **Issue:** Accountability measures that impose harsher penalties on ESA students than on public school students should be avoided. ESA students should not face additional punitive measures that are not equally applied to public school students.
2. **Excessive Curriculum Restrictions**
    - **Issue:** The ESA program should not limit eligible educational expenditures to “government-approved,” in-state, or secular curriculums. Families should have the freedom to choose educational materials and providers that best meet their child’s needs, without unnecessary government oversight on curriculum.

3. **Overcomplicated Bureaucratic Expenditure Approval**
    - **Issue:** The ESA system should avoid creating time-consuming and complicated bureaucratic processes for expenditure approval. Families should have access to funds instantly at the point of sale, without the need for reimbursement claims or excessive approval procedures that create delays.
4. **Tiering Eligibility Solely Based on Income**
    - **Issue:** Eligibility should not be tiered exclusively based on income levels. While certain groups may need targeted support, all school-age children should eventually have access to the ESA, regardless of family income.
5. **Standardized Testing Tied to Funding**
    - **Issue:** The ESA program should not tie future funding or eligibility to individual students' standardized test performance. Students and families should not be penalized with reduced funding based on test scores.

A well-crafted ESA bill for North Dakota should empower families with meaningful choices and substantial funding for educational opportunities. By adopting these key components, avoiding problematic provisions, and considering additional flexible options, North Dakota can create an ESA program that is inclusive, flexible, and transformative. This will ultimately ensure that all students have access to a high-quality education that meets their unique needs, while also promoting the state's educational and economic goals.

Contact:

Justin Forde

Americans for Prosperity North Dakota

jforde@afphq.org

701-527-4293

Dear House Education Committee:

My name is Katelyn Denne and I am writing in **support** of House Bill 1540. I support HB 1540 because I believe that ALL parents should have the opportunity to choose the educational system that works the best for their family. My husband and I have chosen a non-public educational institution for our children. We can send our children to a non-public school as a result of our own financial planning and sacrifice. The financial obstacles that parents must overcome to choose a non-public education is unjust. Parents should be able to make the right choice for their children, regardless of their financial situation, and HB 1540 would help families to be able to make that decision without the financial burden. Non-public education should not simply be an option for those with means, they should be an option for any family that feels that a non-public education would be beneficial for their child and family. Additionally, the non-public school that we choose to send our children to academically outperforms the public school district that we live in. As a property owner and taxpayer, HB 1540 would allow me to experience the benefits of my tax dollars as they relate to education. A truly well-rounded state education system includes public and non-public schools alike. As North Dakotans and parents, we should have the autonomy to make the best educational choice for our families while seeing our tax dollars at work.

Thank you for your work on the education committee and your public service. It is greatly appreciated by this voter and taxpayer.

Katelyn Denne

Minot, ND

Members of the ND Legislature,

My name is Perry Olson and along with my wife Melissa, I write today to express our support for HB 1540 and the push for school choice to become more and more available in North Dakota. As you know, many states have already established great programs that give greater freedom to its citizens to educate how they see fit, using their own tax dollars to do so. The funding should follow the student, not the school. States like Arkansas, Tennessee, Wyoming, Florida, and West Virginia have got it right...and I am excited that North Dakota can soon join them with the passage of legislation.

As you well remember, the Legislature passed a school choice bill last session, but it was ultimately rejected by the former Governor saying it didn't go far enough. While I disagreed with his stance (I think it was a great starting point that could have been built upon), I respected Gov. Burgum's decision. Now, you have the chance to send meaningful, conservative, legislation to Governor Armstrong's desk.

Our children attend Bishop Ryan Catholic School in Minot. It is a choice we make because we feel the product delivered there is worth the price. The freedom to deliver a Christ-centered education is vital to our family. That said, we send our three children there at great expense to our family. The establishment of Educational Savings Accounts, with my tax dollars following my child, would be a great boost to our family and many like ours. I should state that my comments on private education don't mean I am not impressed with our state's public schools. I contend ND has some of the best in the land. We are fortunate for that. Bishop Ryan offers the Christ-centered curriculum, however, that public schools do not, and for the last decade a 'Classical' education style that has been a massive success at BRCS. If more people could benefit from this, the better off our state would be.

It is great that North Dakota doesn't need to re-invent the wheel with this concept. As stated before, we simply need to take the lead from the states across our country that have already implemented (very successfully I might add) their programs. This all comes down to freedom. I pay taxes to educate my children...but my children do not attend public schools. Those funds are not 'public' funds – they are taxpayer dollars. Each North Dakotan should have the ability to direct their funds to the school they see fit. As stated before, the funding should follow the student.

I look forward to following the action on this bill, and more than that, I thank you all for your service to our state. Whether or not you agree with me or not, I am thankful that you have dedicated your time to our wonderful state.

Perry Olson
Minot, ND

To Whom It May Concern,

Passing this bill is crucial for the future of North Dakota, as it prioritizes the importance of education in shaping both the present and future of our state. By supporting this bill, we ensure that our education system adapts to the evolving needs of students and provides them with the tools they need to succeed in a rapidly changing world. Strong, forward-thinking education policies today will empower our children to become the leaders, innovators, and problem-solvers of tomorrow, securing a brighter future for all of North Dakota.

Sincerely,

Rachel Pankratz

BISHOP RYAN
CATHOLIC SCHOOL

To Chairman Heinert and members of the House Committee on Education:

I want to begin by saying sincerely that my colleagues and I are proud to help the State of North Dakota to achieve its stated interest in maintaining an educated populace. For nearly 100 years, the Catholic schools of Minot have helped the State of North Dakota educate its citizens, and in doing so, we help this great State to fulfill its interest in education; and we have done this against great odds, and at tremendous cost.

The problem is that while we capably help the State of North Dakota achieve its interests in education, the State of North Dakota does not reciprocate by helping the parents of children whose educational interests are not best met in a public school achieve those same State interests outside the public school system. For too long, the rhetoric around educational funding in legislature has mistaken the means for the end. The State's Constitution makes it clear that the purpose for the State to maintain a "free public school system open to all children" is because government by the people requires an educated populace. The public school system is a means, not the end of the State's interest in regulating education. Nobody argues the importance of our public schools or proposes that we defund them. They are an essential means for the State to use to achieve its educational interests. What is important to note, however, is that the educational needs of some of the citizens of the State can and do go beyond what the public school system provides. Thus, for the wellbeing of all of its citizens, the State should provide meaningful and proportionate financial support to these students because their education too is in the educational interest of the State.

The contemporary Jewish Rabbi, Jonathan Sacks, explains the larger role of education in this way: "As Jews, we believe that to defend a country, you need an army. But to defend a civilization, you need education. Freedom is lost when it's taken for granted. Unless parents hand on their memories and ideals to the next generation, the story of how they won their freedom and the battles they had to fight along the way, the long journey falters and we lose our way." While Rabbi Sacks speaks specifically in the context of education in the Jewish community, his basic message applies equally to others whose educational needs go beyond what can be adequately given in a public school.

BISHOP RYAN
CATHOLIC SCHOOL

Education is the primary means of passing on culture and custom. For many parents it is not a neutral and secular endeavor. Since the 1800s, Catholics in this country have been forced to foot their own bill for the education of their children at great personal sacrifice because the largely Catholic immigrant populations of the 1800s were coming to a land that while full of opportunity, was also full of New England Protestants that wouldn't lift a finger to help the Irish, German's from Russia, or Italians, to maintain their Catholic, or as our Constitution call it, "sectarian", culture. To quote Chief Justice Roberts' opinion of the court in *Espinoza v. Montana*: "It was an open secret that 'sectarian' was code for 'Catholic'. The Blaine Amendment was 'born of bigotry' and arose at a time of pervasive hostility toward the Catholic Church and to Catholics in general; many of its state counterparts have a similarly shameful pedigree." Sadly, our own Constitution shares in this shameful pedigree of Blaine.

So, as Catholics, we had to build our own schools, at our own expense, while the Protestant majority ran the "common schools" and enjoyed full financial support of the State. I don't bring this history up to verbally tar and feather my Protestant brothers and sisters; not at all. I bring this up, to point out that the reasons why we do things the way that we do them is not always clear to us today.

Thankfully, the odious Blaine Amendment, which has been used by the public school lobby for decades to quash the attempts of parents who have come before this distinguished body looking for some equity in their share of public benefits for educating their children, has finally been identified as unconstitutional by the U.S. Supreme Court, since Blaine Amendments discriminate against the free exercise of religion by parents who have a God-given and Constitutional right to direct the education of their children.

I believe that if the judgment of this committee and the members for both chambers of this legislature remain unbiased and focused on the fact that the State's interest in K-12 education extends to all of its children, not just those served by the public school system, it will recognize that dollars can indeed flow to parents and even approved non-public schools. Moreover, these dollars ought to do just such a thing if it is in the best interest of children as determined by their parents; as long as the education they receive satisfies the basic interests of the State outlined in the Constitution. A clarifying question that comes to mind is: What is the value of a diploma granted to a graduate at Bishop Ryan in the eyes of the State? Our graduates meet or exceed the requirements of the State of North Dakota for all approved schools. Our graduates satisfy completely the interests of the State in educating its populace. And yet, the investment in our kids is exactly $0. The actions of the State of North Dakota toward our students tells them what their State thinks of them: Even

BISHOP RYAN
CATHOLIC SCHOOL

though your diploma accomplishes the same purpose the State, you are not worth investing in because you are not attending the "right" school.

The time has finally come to put aside the fear-based rhetoric on the part of the public-school lobby, which has shown itself to be concerned primarily in maintaining hegemony over the educational marketplace, and to support a money-following the student approach to education in North Dakota. Why do you as a legislator care where a student goes to school as long as the education they receive meets the Constitutionally outlined educational goals of the State? Why should you pick financial "winners" and "losers" based upon where a parent believes their child will get the education that they need? Because that is what is happening now. The State is picking "winners" and "losers" financially, and it is looking increasingly like discrimination based on the Blaine Amendment. The fact is that this body is willing to fund pretty much any educational opportunity, including by using public school districts as passthroughs to pay private educational academies as vendors, as long as the vendor is virtual and non-religious. This is perplexing.

As the president of a school system that has been educating children in the Minot area for almost a century, I hope the legislature can finally acknowledge in a meaningful way the fact that we serve a vital need for our community, **and** we fully satisfy the State's interests in education for the children that attend our school. We are not the same as a public school; we are different and that is why parents need us. But this doesn't mean that our education is in any way deficient in helping the State achieve its interests in the education of its populace while we help our parents achieve their interests. Our diplomas are every bit as valuable to the State of North Dakota as Minot Public's or West Fargo's or Washburn's. There is no difference in terms of value to the State. Our parents should receive proportionate benefit by way of financial support for their children's education that any other parent does in a public school because in both cases the State's interests in having an educated populace are satisfied.

Thank you for your time and consideration.

Sincerely,

Fr. Jadyn Nelson

Fr. Jadyn Nelson, M. Ed
School President

Hello House Education Committee,

My name is Marie Vetter. I live in District 18 and I am a parent who has chosen to enroll my children in St. Michael's Catholic School.

I support HB 1540, but I am also in support of all school choice bills that support parent autonomy and the right to provide an education for my child. I support HB 1540.

In voicing my support of HB 1540, I'll be direct: this isn't just about policy—it's about our children and our constitutional rights as parents.

My husband and I are in the midst of raising ten children, all of whom are, of course, unique with varying gifts and struggles. Tim is employed in our community as a public servant; I work three jobs as well as operating my own business. We're not looking for handouts; we're looking for equity in how our education dollars are allocated.

I'll share briefly about our journey. We started in public schools, and I do want to acknowledge the dedicated teachers and staff at those establishments. These educators tried their best, but eventually, we faced a reality that many parents understand: sometimes, even good schools can't meet every child's needs. When we identified specific challenges our children were facing, we made the difficult decision to homeschool. This allowed us to adjust the pace of learning for each child—something that's nearly impossible in a one-size-fits-all system.

Today, just one of our children is homeschooled, and 5 of our children attend Catholic School, where we've finally found the partnership in education we've been seeking. The support our children receive there is exactly what they need. While we have made it work to hold on to this educational experience, there's something that still feels so unjust: we shouldn't have to work multiple jobs just to access an education that works for our children. These are our tax dollars, meant for our children's education, yet we're effectively paying twice—once through taxes and again through tuition.

This isn't about private versus public education. It's about recognizing that parents know their children best and should have the financial freedom to choose the educational environment that will help their children thrive. The Constitution guarantees our right to direct our children's education, but without school choice, this right becomes a privilege only available to those who can afford it.

I'm not asking for a favor, here. Please don't view this as some sort of special request you'll consider granting out of benevolence. It's quite simple; education dollars are for education or they are not, and I'm asking for our legislature to acknowledge that education dollars should follow the child, not the system. When we talk about school choice, we're talking about trusting parents to make informed decisions about their children's futures. We're talking about acknowledging that different children learn differently, and respond better in certain environments over others, and that's okay.

Our family's story—working multiple jobs, making sacrifices, constantly adjusting to meet our children's educational needs—shouldn't be the norm. School choice legislation would mean that families like ours wouldn’t have to struggle to pay bills and provide the education their children need.

This isn't just about my family. It's about every North Dakota family who deserves the right to choose the best educational path for their children, regardless of their income level or zip code. The time for school choice in North Dakota isn't just now—it's overdue.

I urge you to vote in favor of HB 1540.

Thank you for your service to the state of North Dakota and your time on HB 1540.

Respectfully,

Marie Vetter

Hello House/Senate Education Committee,

My name is Alexis Scott. I live in District 6 and I am a parent who has chosen to enroll my child(ren) in John Paul II Catholic School(s).

I support HB 1540 , but I am in support of all school choice bills that support parent autonomy and the right to provide an education for my child. I support HB 1540 because as a parent of high school age to kindergarten I no longer felt after COVID my children's educational needs were met. A few examples on why I chose to remove my children from public school:

1. **Lack of Academic Progress Transparency** – For years, I struggled to get meaningful academic updates from my children's public school teachers. My 4th grader fell behind in math without any notification, and when I inquired, teachers couldn't specify his struggles or offer additional support. Requests for extra homework were dismissed, leaving me helpless in guiding his progress. After switching to Catholic schools, I experienced a complete shift—weekly grade updates, prompt responses to questions, and immediate academic support. I finally felt engaged in my child's education again rather than shut out of the process.
2. **Effective Reading Support** – My child struggled with reading throughout 1st grade, receiving school-provided reading support with little improvement—managing only 7 WPM at 50% accuracy by year's end. Upon transferring to JP2, he received consistent, individualized 1:1 instruction. By the end of the year, he was reading 86 WPM with over 95% accuracy. The tailored support not only accelerated his progress but also built his confidence and love for learning in a way I hadn't seen before.
3. **Middle School Environment & Academic Expectations** – My oldest child's public middle school experience was chaotic—regular fights, constant classroom disruptions, and an overall apathy toward learning. At Discovery Middle School, there were no classroom controls, no cell phone policies, and no clear academic expectations. Despite being labeled "nice" and "easy to work with," he struggled to write a basic paragraph. In contrast, his first day at JP2 was "the best first day of school ever." The school fostered respect, discipline, and high academic standards in a safe, structured environment. By year's end, he proudly handed me a three-page essay, amazed at his own progress. The transformation in confidence, learning, and overall well-being has completely changed our family's experience with education.

I support school choice because it allows my family to thrive in an education system that is supportive, engaging, and exceeding our expectations. It would ease our financial burden and make quality education accessible without sacrificing our financial stability. We have taken extra jobs, cut expenses, and relied on scholarships to provide this opportunity—something families shouldn't have to do to ensure a strong education. Every child deserves access to a school that meets their needs, and our tax dollars should support families in making that choice.

I urge you to vote in favor of HB 1540.

Thank you for your service to the state of North Dakota and your time on HB 1540.

Regards,

Alexis Scott

Hello House Education Committee,

My name is Liz Hoffner, we live in the Grand Forks school district. I am the proud mother of two boys who attend Holy Family-St. Mary's School in Grand Forks. I support HB1540, but I am in support of all school choice bills that support parent autonomy and the right to provide an education for my children.

Our journey into Catholic education began when our eldest son was preparing to enter kindergarten. At the time, he was very shy and uncomfortable in large group settings. Although we live just two blocks from an excellent public elementary school, we knew that its large class sizes and multiple sections per grade would not provide the nurturing start he needed. We wanted him to feel comfortable, confident, and supported—something that simply didn't seem possible in a large public-school setting.

As parishioners at HFSM, we began exploring other educational options. When we toured the school, we were warmly welcomed by older students who eagerly shared what they loved about being part of HFSM. We met with the principal, spoke with other families, and immediately knew this was the right place for our children. From the moment we stepped inside, we felt at home. The love, passion, and dedication of the teachers and students were undeniable. HFSM is more than just a school—it's a community that nurtures not only academic excellence but also the whole child: mind, body, and soul.

At HFSM, students are held to a high moral standard through a faith-based approach to education, creating a warm, inclusive environment where every child is valued. They learn respect—for themselves, their peers, and their teachers—rooted in the belief that each of them is perfectly created and deeply loved by God. This atmosphere of acceptance and encouragement has transformed my once-shy kindergartener into a confident and outgoing fifth grader.

Beyond academics, HFSM instills a spirit of service and leadership. Students actively participate in community service, from raising funds for local charities and disaster relief to organizing food drives and forming meaningful connections as pen pals with elderly parishioners. They also develop leadership and teamwork skills by leading weekly Mass through readings, music, and altar serving.

Choosing HFSM for our children has been one of the greatest blessings of our lives. However, this decision has required financial sacrifices—sacrifices that many families may not be able to make. I truly believe that every family should have the ability to choose the best educational environment for their children, regardless of financial constraints. It's time to empower families with school choice, ensuring that every child has access to an education that meets their unique needs and helps them thrive.

I urge you to vote in favor of HB1540. Thank you for your service to the state of North Dakota and your time on HB1540.

Sincerely,

Liz Hoffner and Family

Dear Legislators,

I am adamantly opposed to all the school choice bills introduced into the house and senate.

Let me start by saying my kids all went to Catholic Schools, fourth generation. However, like the rest of the community, everybody has the choice right now to send their kids to the school of their choice within their district, and neighborhood. We did. I disagree with sending our kids to catholic school as a "SACRIFICE." We all did this willingly. Nobody made me sacrifice or give my jewelry for the war effort etc. If we did not want to send our kids to a non-public school, we would not have. Introducing funding for school choice will not increase enrollment nor sway more to go to these schools. We thought at the time it was the best choice. In the end, it was not and our kids suffered consequences due to the closed, limited, and strangulated academic environment non-public schools offer.

Let's keep one fact in mind. Just because you have a small population in or want this choice, does not mean you burden the entire population with a tax burden that offers a solution to a problem that does not exist. Public schools are excellent places for our kids to learn, have many resources to aid the ones that need help and offer lots of courses, a breadth of technical and skilled opportunities and extra-curricular activities.

Here are a few points why I am against the bill. Kids that need IEP's don't get that at non-public schools, they get pushed out of the system and forced into public schools. So honestly, this is not the best learning environment for our children in this community. Also, our kids miss out on good sports facilities, shop class or other curriculum that the non-public schools don't offer that is offered in public schools. AP courses are not fully offered at the JPII schools in the breadth that public schools get them. So, I respectfully disagree with any statement or making a statement to others, that non-public schools are the best learning environment. Ask me how I know. I went to public school, a small Christian school with 8 students in my class and a large Catholic high school growing up. I know the differences and cultures of them all.

I already appreciated having the choice, I did not "need" it and if I did, it was freely, freely, let me say that again, freely available for my choice.

Non-public schools do not build a great culture, unless you want a focused, one track hostile to non-loyalist envinrment that you expose your children. Our kids experience has turned them away from their faith. Out of the multiple siblings, my spouse is the only one to send kids to a non public school. Others I have talked to who went to non-public schools growing up did not send their kids there. There is a reason the churck is fighting so hard to get this, they think it will bring more into the fold. It won't.

On several occasions, all my kids have experienced a negative culture for one reason or another. Let me give you one example of when a fellow student took a picture of my daughter's crotch. The school did nothing. My daughter lives with that "culture" in her

memory. I am also hearing this from other parents on how their kids are being treated and the school is not working to resolve these "cultural" issues. I even heard recently that kids were doing the Hitler salute and joking about it, far too frequently. As a child of a parent that was raised in Nazi occupied Europe, I find this disturbing. This is not a culture I would expect in a Christian school. The cultures these non-public schools are building is not one that brings a community together, but is rather ripping it apart.

Let me speak to the Executive order. No, I don't want my taxes to be diverted from CCDGB or my military funds paying for school choice when I want them to defend my borders or our NATO partners. House Bill 1670 will cost the state up to 3.8 million dollars initially. I don't agree with that. Let's pay for school lunches and breakfasts first. House Bill 1590 lays out another expense to all taxpayers in this state, to match up to 50% of a contribution (full allowable contribution to be $2000) per year. HB 1540 looks to add another 1/4 million dollars to the bill. Home school and non-public schools, again those that have chosen it, have that choice freely and I don't want to pay for it on top of supporting public schools.

SB 2295 seems to add another multiplier to my local tax bill for the kids that go to non-public schools…? So, now the formula for my taxes increases even more at the local level too. Why, to pay for the non-public school enrollees. I understand the school district is required to forward that to the schools, but I don't want to pay for a faith-based school system with my taxes. I don't expect my non-faith-based neighbors to pay for my kids faith-based education. This is not right. SB 2303 is just he same as the house bill and I dis agree with it as well.

Here is what I would support. Take money out of the mils for public schools and put them into programs that can show they meet or exceed the standards, curriculum offerings and provide a loving and accepting culture to all children, IEP kids, to kids struggling at home e.g. provide counselling services like the public schools have. Secondly, all the funds the non-public schools bring in, should be shared back to the public schools. And if my non-public school choice now gets dollars received through taxation, they should meet all grant stipulations that are required under all state and or federal grants. But moreover, if non-public schools get dollars received from my tax dollars, all non-public schools receiving them should then be taxed on their revenues and lose their tax-exempt status.

In summary, I am opposed to these bills. These proposed bills bring more burden to all residents in this state in the form of more taxes, wasteful spending and a solution to a problem that does not exist.

Sincerely,

Pierre Freeman
2823 36th Ave S
Fargo Nd 58104

February 3, 2025

North Dakota Senate Education Committee

State Capitol

Bismarck, ND 58501

RE: Endorsement of HB 1540

Dear House Education Committee,

My name is Rebecca Obrigewitch, and I live in District 32. As a parent, I have chosen to enroll my children in a local private school.

I support House Bill 1540, but I am in support of all school choice bills that support parent autonomy and the right to provide an education for my child. Our children's enrollment in the school has been an incredibly positive experience. I firmly believe that all parents should have the opportunity to choose the educational experience for their children that aligns with their faith, values, and educational priorities. This bill's financial impact would be a great benefit.

I urge you to vote in favor of House Bill 1540.

Thank you for your service to the state of North Dakota and your time on House Bill 1540.

Sincerely,

Rebecca Obrigewitch

Kristin Nelson

5409 20th Street South

Fargo, ND

District 46

2/3/25

DO NOT PASS HB 1540

Representative Heinert and members of the House Education Committee:

I urge a **DO NOT PASS** on HB 1540. **Public dollars belong to public schools**. Our schools struggle with funding as it is, we cannot allocate dollars away from public use. Public dollars must stay to **support public education**.

Again, I urge a **DO NOT PASS** recommendation on this bill.

To Whom it may concern;

My name is Joe Drumm. I'm reaching out in opposition to HB 1540, a bill which takes public dollars and moves those funds to support private schools (otherwise commonly known as vouchers).

Most conversations involving education from my perspective revolve around state funding and the need for increases. Most observing the state and national educational scene agree that we are in the midst of a recruitment and retainment crisis in public education. Many colleges and institutions that traditionally produce teachers are reporting a lack of candidates interested in or graduating from their programs.

Locally to my district, UND acts as a litmus in the state of education in North Dakota. In the 2011-12 school year, UND reported 823 enrollees in their school of Education and Human development, 5.6% of their total enrollment. This last academic year, UND reported 607 enrollees in the same school, 4.28% of total enrollment**. This drop isn't atypical, and has drawn national attention as schools and districts scramble to deal with the fallout of these decreases in enrollment.

Positions are left vacant for months at a time with few to any qualified candidates applying for the position. At a local and national level, it's becoming harder and harder to find people who are willing to do the work and commit the time required to work in this profession.*** As of 2024, at least 27 governors have called for legislative action to address the sinking number of teachers seeking to enter the field*. These shortages aren't specific to Red or Blue states, and are impacting the country on a fairly consistent trend.

And yet, here we are, arguing if moving money out of public education is the correct way to address this issue. When viewed from this perspective, the entire conversation becomes almost comically nonsensical. In the midst of a crisis, it makes little sense to further expound the problems that add to the severity of the crisis. In other words, it's equivalent to pouring water into a sinking boat. Working to draw funding down from an already struggling and critically important sector solves nothing and draws the problem out, forcing further emergency measures that hurt schools and hurt the public good. Only 32% of North Dakota counties have access to a private school. 2 out of 3 North Dakotan families wouldn't benefit from this sort of legislation in any meaningful way.

I strongly urge a Do Not Pass recommendation on these bills in committee. Pulling public funding to private entities solves nothing and directly hurts North Dakotans.

Thank you for you time,
Joe Drumm



Sources:
*https://www.nga.org/news/commentary/state-education-trends-for-2024/
**https://und.edu/analytics-and-planning/data-and-reports/2024.html
***https://www.inforum.com/news/north-dakota/north-dakotas-teacher-shortage-creating-imminent-peril-as-board-seeks-emergency-rule

I am a homeschooling mom, and small business owner, who believes in the educational freedom that homeschooling allows.

I strongly OPPOSE HB 1540

The person (state or other entity) who provides the funding, will want to control how it's used. Homeschooling parents wish to school their children without the regulation strings that would come with any "free" money.

This bill would likely call for regulation, mandated curriculum, increased testing, and loss of data privacy. Do not push North Dakotan children into uniform products of the state, which would force transparency and accountability on taxpayer-funded projects. Homeschooling parents do not want this.

As a homeschooling parent, we should fight for the right to homeschool in peace and freedom. We do not believe that one educational plan fits all children and parents should be empowered to make that determination based on their child's unique gifts, talents, and needs.

Dear Members of the House Education Committee,

Thank you for allowing me to address you today. My name is Sara Dudley, and I am the principal at St. Michael's Catholic School in Grand Forks. I am here to advocate for school choice and to dispel some common misconceptions regarding non-public schools.

1. Accessibility for All Families:

One of the most pervasive falsehoods is that non-public schools are only for the wealthy. At St. Michael's Catholic School, 28% of our student population is enrolled in the Free and Reduced Lunch Program. This statistic highlights that our school is accessible to families from various economic backgrounds. School choice allows families, regardless of their financial situation, to select an education that they believe will best serve their children. It is crucial that we continue to support policies that enable all families to access quality education and empower parents.

2. Serving Students with Disabilities:

Another misconception is that non-public schools do not serve students with disabilities. I want to clarify that at St. Michael's Catholic Schoo, we take pride in our inclusive environment. Currently, we serve 17 students with various needs, representing 11% of our K-5 student population. These students face challenges such as dyslexia, ADHD, autism spectrum disorder, learning disabilities, speech and language needs, and emotional needs. However, we receive $0 of the per pupil formula to support these students. With additional resources, we could serve even more students and strive to meet their diverse needs effectively.

We work in partnership with the public school system when serving students with identified special education needs, but the lack of funding limits our ability to provide comprehensive support because we depend on tuition and serve a population that receives scholarships so we cannot hire specialists or more interventionists.

Again, the reason that we are limited in our services for students with special needs is based upon available resources because we receive $0 from the state to serve them and we keep our tuition rates low so families can access the education of their choice in Catholic schools.

3. High Standards of Accountability:

Another misconception is that non-public schools lack accountability. I want to assure you that we maintain high standards of accountability. Non-public schools are required to complete reports mandated by the Department of Public Instruction, along with undergoing the Cognia accreditation process, which evaluates our schools by the same standards as public schools. Additionally, we have a Board of Education elected by our school community, ensuring that our leadership is accountable to the families we serve and the parish that financially supports our school and families.

Furthermore, we are mandated to employ highly qualified educators who participate in required professional development mandated by the Department of Public Instruction and the Education Standards and Practices Board. Our curriculum aligns with state learning standards ensuring that we provide a rigorous educational experience for all students.

4. A Diverse Student Body:

It's also important to note that not all students who attend Catholic schools are Catholic. At St. Michael's Catholic School, approximately 12% of our student body comes from different faith backgrounds. These families choose our school because they seek an alternative to what public schools can offer—smaller class sizes, a focus on character development, and a values-based education, close relationships with teachers and administrators to create meaningful partnerships in their child's education. The choice of a school should not be limited to religious affiliation; it should be about finding the best fit for each child's unique needs.

5. The Importance of School Choice:

School choice is essential for fostering an educational landscape that is diverse, inclusive, and responsive to the needs of all students. It allows families to seek out educational environments that align with their values and meet their children's specific needs. By supporting school choice, we are advocating for equitable access to quality education for every student, regardless of their background or abilities.

6. A Call to Action:

I urge this committee to support policies that promote school choice, ensuring that all families have the opportunity to choose the educational path that best fits their children. Together, we can dismantle the falsehoods surrounding non-public schools and create a more inclusive educational system that truly serves all students.

Thank you for your time and consideration. I hope you will support policies that enhance school choice for all families. I will stand for any questions.

Sincerely,
Sara Dudley
sara.dudley@stmichaelsgf.com

515-231-8102

504 5th Ave. N.

Grand Forks, ND 58203

My name is Kari Weigel, and I am the daughter of a dedicated classroom teacher. Growing up, I spent much of my childhood watching, admiring, and dreaming of becoming a teacher like my mother. In 1995, driven by her deep belief in helping every child succeed, she left public education and entered the world of supplemental learning.

That same year, she founded Sylvan Learning in Bismarck. I joined her in 2004 and later took over after her retirement. Today, Sylvan operates locations around the globe, and our Bismarck center consistently ranks in the top 3% of all Sylvan locations. This success is a testament to North Dakota's strong commitment to education beyond the classroom.

In just the last five years, our Bismarck location has provided 89,400 tutoring sessions—clear evidence that North Dakota families recognize and value educational support alongside what schools provide. For nearly 30 years, we have proudly partnered with families, schools, and tribes to meet the unique needs of students. Our personalized education programs have helped children catch up, keep up, and get ahead, paving a brighter future for North Dakota.

Many families are unable to use our services due to the lack of finances. A program like this would help many more families who are unable to afford personalized supplemental education services.

I am in support of an ESA program and encourage the committee to include all students, regardless of whether they attend public or nonpublic schools. This program should provide relief to **all** working families—public and private—ensuring a meaningful investment in the next generation of North Dakotans.

Thank you for your time and consideration.

Kari Weigel

North Dakota Catholic Conference

Representing the Diocese of Fargo and the Diocese of Bismarck

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701-223-2519
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To: House Education Committee
From: David Tamisiea, Executive Director
Subject: House Bill 1540 - Education Savings Accounts
Date: February 5, 2025

The North Dakota Catholic Conference supports House Bill 1540.

HB 1540 seeks to improve the way education is provided in North Dakota by respecting a child's right to a quality education and a parent's right to choose the education best suited to their child.

A Principled Approach to Education That Respects the Rights of Parents and Children

Every child has a right to a state-supported education. This right is rooted in the immeasurable dignity of each child, and the obligation of the political community to provide concrete assistance for the education of all children so that they can achieve their potential.

Parents are the primary educators of their children. This is because they are ultimately responsible for their children's growth, formation, and development. As the primary educators of their children, parents have a duty and right to choose the kind of education that best meets their child's needs.

This educational choice bill respects both the right of the child to a state-supported education and the right of the parent to choose the form of education best suited to the child. It gives families affordable options to choose from through education savings accounts instead of a "one-size-fits-all" approach to education.

Education Savings Accounts

Currently in North Dakota, parents have three options for educating their child: public school, non-public school, and home education. This bill recognizes that these three choices are not equal in terms of the financial burdens placed upon families. It seeks to alleviate the financial burden on parents who choose to educate their child in a nonpublic school or home setting through the use of an Education Savings Account (ESA). It also expands choices for families so they can utilize educational tools and materials that they otherwise might not be able to afford. The funds deposited into a parent's ESA could be used for qualified educational expenses, including tuition and fees, textbooks, tutoring, curriculum materials, online classes, examination fees, computer technology, and transportation fees.

Do Not Let North Dakota Fall Behind

Parental choice is widely recognized as essential for quality K-12 education. Just last week, the President signed an executive order to expand educational freedom by directing federal agencies to prioritize school choice programs when awarding federal dollars to support state K-12 education.[1] There are currently 33 states that have some form of parental choice in education that allow public funds to be used by parents to access the schools or services that best fit their child's needs.[2] These state school choice programs include education savings accounts, school vouchers, and tax credits and deductions. When you add public charter schools into the mix, only Kentucky and North Dakota have no school choice options for parents and their children.[3] We should not allow North Dakotan families to be left behind without the ability to choose the best form of education for their children.

Education Savings Accounts Expand Educational Choice

Education Savings Accounts funds under HB 1540 are available for a wide variety of educational uses tailored to meet an individual student's needs. Eligible uses include not only private school tuition and fees, but also textbooks, online classes, tutoring, test prep, transportation costs, educational camps, and the like for any eligible student.

Current non-public school students could use ESA funds for tuition and fees, and home educated students could use the funds for curricular materials and textbooks. Students who could not otherwise afford it could also use their ESA funds to attend a non-public school, which may better match their beliefs, values, and needs.

It is also not true that there are no non-public schools in rural North Dakota. There are non-public schools in Rugby, Langdon, Valley City, Sentinel Butte, Watford City, Belcourt, and Fort Yates. Rural families in these areas could use ESA funds to pay for non-public school tuition.

It Is Entirely Appropriate to Use Public Funds for Non-Public Schools

Opponents object to public funds being directed to non-public schools. Detractors see this as an inappropriate use of tax-payer funds since these are private organizations and not state-run entities.

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[1] "Fact Sheet: President Donald J. Trump Expands Educational Opportunities For American Families," at https://www.whitehouse.gov/fact-sheets/2025/01/fact-sheet-president-donald-j-trump-expands-educational-opportunities-for-american-families/

[2] EdChoice, "School Choice in America," at https://www.edchoice.org/school-choice-in-america-dashboard-scia/.

[3] National Center for Education Statistics, "Fast Facts: Charter Schools," at https://nces.ed.gov/fastfacts/display.asp?id=30.

This objection is misplaced since these funds would be deposited into ESAs and then the parents would use the funds to make the best educational choices for their children. Nothing would go directly to a non-public school. If the parent chose to send their child to a non-public school, this would only be an indirect payment consequent to the decision of the parent.

Moreover, why do opponents insist that public funds can only be used by public schools to educate our children? Like all states, the state of North Dakota directs public funds to private organizations in other areas besides education to help carry out essential social services for its citizens. For example, North Dakota directs public funds to private religious non-profit organizations to conduct adoptions. Further, the state directs medicaid payments to cover medical services given to the poor at private hospitals and clinics throughout the state. North Dakota also provides public funding to Dakota Boys & Girls Ranch and Home on the Range to care for troubled youth. In addition, state funds are directed to the Anne Carlsen Center and other providers to care for children with behavioral and developmental challenges. Many more examples could be offered. The point is that it is entirely appropriate for state funds to be used by parents to pay for non-public schools.

North Dakota's Non-Public Schools Are More Regulated by the State Than Any Other Non-Public Schools in the Country

Another objection against directing public funds to non-public schools is that these schools are not accountable to the state. This is not true for two reasons.

First, this bill directs public funds directly into ESA accounts for a parent to use for their child's educational needs. No funds go directly to non-public schools, and a parent may use the funds for other approved educational resources. It is the parent's choice. Second, even if a parent chooses to use ESA funds to pay for tuition at a non-public school, North Dakota non-public schools are regulated by the state more than any other non-public schools in the country.[4] North Dakota is one of only eight states that require all non-public schools to be approved by the state. In only two of these states - Massachusetts and North Dakota - are the approval requirements for non-public schools identical to the requirements for public schools. Only one of these two states - North Dakota - requires non-public school teachers to be licensed by the state. This leaves North Dakota as the only state in the nation that mandates both state approval for nonpublic schools identical to that for public schools and requires state-licensing for nonpublic school teachers.

Education Savings Accounts Are Constitutional

Art. VIII, Sec. 1: Opponents of public funds going toward education savings accounts also claim Article VIII, Section 1, of the North Dakota Constitution prohibits the use of

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[4] State Regulation of Private and Home Schools, U.S. Department of Education, 2025; Specific State Laws, at https://www.ed.gov/sites/ed/files/about/inits/ed/non-public-education/files/permission-to-operate-comparison-chart.pdf.

public funds for private education. This is not what this section says. Rather, it merely says, "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" ("sectarian" = religious). North Dakota *has* established a public school system "free from sectarian control" and "open to all children of the state of North Dakota." But there is nothing in our state Constitution that limits the legislature *only* to establishing public schools for educating our children.

Nothing prevents the legislature from doing *other* things in addition to a public school system to support and enhance education in North Dakota, like providing public funding for ESAs to support parental educational choice. In fact, under Article VIII, Section 4, of the North Dakota Constitution, it says "The legislative assembly shall take such other steps as may be necessary to prevent illiteracy, secure a reasonable degree of uniformity in course of study, and to promote industrial, scientific, and agricultural improvements."

Art. VIII, Sec. V: Opponents also frequently claim that Article VIII, Section V, of North Dakota's Constitution prohibits educational funds going toward anything other than public schools, because it says, "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."

This constitutional provision banning the use of public funds for the support of religious schools is known as the "Blaine Amendment." The Blaine Amendment is named after James Blaine, a 19th-century Maine politician who in 1875 unsuccessfully tried to have this provision added as an amendment to the U.S. Constitution. Nevertheless, Congress forced new states, including North Dakota, to include the Blaine Amendment in their state constitutions as a condition of obtaining statehood.[5]

The U.S. Supreme Court has in three recent decisions declared that state Blaine Amendments banning the use of government funds to support religious schools violate the First Amendment of the Constitution by interfering with the free exercise of religion and are therefore void and unenforceable. In *Trinity Lutheran Church v. Comer* (2018), the U.S. Supreme Court held that the state of Missouri violated the First Amendment by excluding a faith-based preschool from a state program that provided recycled tires for playground resurfacing simply because it was religious. In *Espinoza v. Montana Department of Revenue* (2020), the U.S. Supreme Court held that the Montana Supreme Court violated the First Amendment when it invalidated, on state constitutional grounds, a private-school-choice program because it included faith-based schools. Likewise, in *Carson v. Makin* (2022), the U.S. Supreme Court held that Maine unconstitutionally excluded religious schools from a publicly-funded scholarship program for students in rural school districts. In all three case, the Court held that withholding public funds from private religious schools under state Blaine Amendments was unconstitutional.

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[5] Act of Feb. 22, 1889, 25 Stat. 676, ch. 180 (1889)

On November 29, 2022, Attorney General Drew Wrigley issued a formal legal opinion affirming the unconstitutionality of the Blaine Amendment in North Dakota's Constitution.[6] (The AG's opinion is attached to this testimony.) The opinion states: "the Blaine Amendment is not enforceable under United States Supreme Court case law" and "the United States Supreme Court has barred the state from enforcing its Blaine Amendment." Blaine is dead. While the state of North Dakota is not obliged to fund private religious schools under our state constitution, nothing prohibits the state from doing so.

Nevertheless, we continue to hear from opponents of educational choice that, although the state's Blaine Amendment is unconstitutional, the legislature should respect the intent of the state's Founders and enforce it legislatively anyway. This assertion is deeply troubling. The state's Blaine Amendment is unconstitutional because it violates the First Amendment of the United States Constitution that protects American citizens against unjust religious discrimination by the government. Proponents of keeping its "spirit" because of "tradition" or respect for the state's founders are asking this legislative body to knowingly violate the First Amendment of the U.S. Constitution and the religious rights of North Dakotans.[7]

Conclusion

Education savings accounts respect the rights of children to a state-supported education and the rights of parent to direct the education of their children. Education savings accounts are constitutional and would expand educational opportunities for families in North Dakota.

We urge a **Do Pass** recommendation on House Bill 1540.

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[6] North Dakota Attorney General Opinion 2022-L-07.

[7] The state's founding fathers did not willingly choose to include the Blaine Amendment in the state constitution. Congress, which was swept up in anti-Catholic and anti-immigrant hysteria at the time, forced the state to include the Blaine Amendment in the state's constitution as a condition of obtaining statehood. (Act of Feb. 22, 1889, 25 Stat. 676, ch. 180 (1889).)

STATE OF NORTH DAKOTA
OFFICE OF ATTORNEY GENERAL
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Drew H. Wrigley
ATTORNEY GENERAL

LETTER OPINION
2022-L-07

Dr. Rebecca S. Pitkin
Executive Director
North Dakota Education Standards and Practices Board
2718 Gateway Ave., Ste. 204
Bismarck, ND 58503-0585

Dear Dr. Pitkin:

Thank you for your questions regarding the Teacher Support System and the availability of related grants for private school teachers. Specifically, you ask (1) whether private school teachers who are also mentors may participate in the Teacher Support System, and (2) whether private school teachers who are also mentors may receive grants to participate in the Teacher Support System. Nowhere in the applicable statute or administrative code are non-public school teachers prohibited from participating in the Teacher Support System. However, the context of your question indicates the key issue underlying these questions is whether Article VIII, Section 5 of the North Dakota Constitution ("the Blaine Amendment")[1] prohibits teachers at sectarian schools from receiving grants from the Teacher Support System. It is my opinion that the Blaine Amendment is not enforceable under United States Supreme Court caselaw, and therefore teachers at sectarian schools may receive grants from the Teacher Support System.

ANALYSIS

The Blaine Amendment was adopted as Article 152 of the 1889 North Dakota Constitution and provides that "[n]o 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."[2] The North Dakota Supreme Court has held "[a] 'sectarian institution' is 'an institution affiliated with a particular religious sect or denomination, or under the control or governing influence of such sect or denomination.'"[3] Over time, the definition of "sectarian" has broadened to include "relating to" or "supporting a particular religious group and its beliefs."[4] As a result, the Blaine Amendment effectively means "[n]o money raised for the support of

[1] In 1875, then Speaker of the U.S. House of Representatives James Blaine proposed an amendment to the United States Constitution which would prohibit states from providing public funds to religious schools. After Blaine's amendment failed to pass the U.S. Senate, 38 states passed amendments to their state constitutions barring state funding of religious or sectarian schools. These amendments are colloquially referred to as "Blaine Amendments."
[2] N.D. Const. art. VIII, § 5.
[3] *Gerhardt v. Heid*, 267 N.W. 127, 131 (N.D. 1936).
[4] Black's Law Dictionary (11th ed. 2019).

the support of the public schools of the state shall be appropriated to or used for the support of any [religious private school]."[5]

The Teacher Support System is a mentoring program for new teachers operated by the North Dakota Education Standards and Practices Board (ESPB).[6] A teacher who holds an initial, two-year license must participate in the Teacher Support System to be eligible to apply for a five-year-renewal license.[7] The legislature appropriated $2,125,764 to the ESPB for the 2021-23 biennium to provide grants to Teacher Support System mentors.[8] The applicable statutes and administrative code do not prohibit private school teachers from participating in the Teacher Support System as either mentors or mentees. Given that participation in the mentor program is a requirement for renewed licensure and the lack of contrary language in statute, it is my opinion that teachers at private schools may participate in the Teach Support System as mentors. Similarly, it is my opinion that teachers at private schools may receive grants for participating in the Teacher Support System.

However, this does not end the inquiry. As noted above, the Blaine Amendment bars appropriated funds and public money from being used to support any sectarian school. On its face, this prohibition would apply to Teacher Support System grants provided to mentors employed by sectarian schools. However, in two recent decisions, the United States Supreme Court cast doubt on whether Blaine Amendments can be reconciled with the First Amendment to the United States Constitution. In *Trinity Lutheran Church of Columbia, Inc. v Comer*,[9] the Court held a "law . . . may not discriminate against 'some or all religious beliefs.' . . . The Free Exercise Clause protects against laws that 'impose [] special disabilities on the basis of . . . religious status.'"[10] The Blaine Amendment functionally prohibits religious private schools from receiving grants from the Teacher Support System, while teachers at non-religious private schools are allowed to receive the grants. This is precisely the type of disadvantage the Supreme Court concluded may not be imposed on the basis of religious status.[11]

The Supreme Court went even further in *Espinoza v. Montana Dept. of Revenue*.[12] In that case, the Court held that, because Montana's Blaine Amendment had been applied to discriminate against schools and parents based on the religious character of the school at issue, the amendment was subject to the strictest level of judicial scrutiny.[13] The Court made clear an interest in separating church and

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[5] N.D. Const. art. VIII, § 5.
[6] N.D.A.C. § 67.1-04-04-03.
[7] N.D.C.C. § 15.1-13-10(9).
[8] *See* H.B. 1013, 2021 N.D. Leg., Section 1, Subd. 1 - part of the "Grants – program and passthrough" line item.
[9] 137 S.Ct. 2012 (2017).
[10] *Id.* at 2021 (citations omitted).
[11] *Id.* at 2021-2022.
[12] 140 S.Ct. 2246 (2020).
[13] *Id.* at 2260 (noting that, to satisfy this "strictest scrutiny" test, the government action in question must "advance 'interests of the highest order' and must be narrowly tailored in pursuit of those

State "cannot qualify as compelling in the face of the infringement of free exercise."[14] The Court concluded that "[a] State need not subsidize private education. But once a State decides to do so, it cannot disqualify some private schools solely because they are religious."[15] Recently, the Supreme Court expanded the *Espinoza* holding in *Carson v. Makin*.[16] In *Carson*, the Court held the application of Maine's Blaine Amendment to generally available tuition assistance payments violated the Free Exercise Clause of the First Amendment. The Court said the Blaine Amendment impermissibly denied public funding to certain private schools solely because the schools are religious.[17]

Here, as in *Carson* and *Espinoza*, the state created a mentorship program that is mandatory for licensure renewal. Fairly applied, the Blaine Amendment would permit teachers at public schools and non-religious private schools to receive grants for participating in the mandatory program, while barring teachers at religious private schools from receiving the same grants. Based on *Trinity Lutheran*, *Espinoza*, and *Carson*, the Blaine Amendment cannot be enforced in any situation where doing so would disadvantage a sectarian school as compared to a non-religious private school simply because of the school's sectarian nature. As a result, it is my opinion the United States Supreme Court has barred the state from enforcing its Blaine Amendment.

Based on binding United States Supreme Court caselaw, it is my opinion the Blaine Amendment unconstitutionally disadvantages sectarian schools. As a result, it is my opinion that teachers at all schools, including both non-religious and sectarian private schools, may participate in the Teacher Support Program as mentors, and may receive grants to support their participation.

Regards,

Drew H. Wrigley
Attorney General

This opinion is issued pursuant to N.D.C.C. § 54-12-01. It governs the actions of public officials until such time as the question presented is decided by the courts.[18]

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interests." (citing *Church of the Lukumi Babalu Aye, Inc. v. City of Hialeah*, 508 U.S. 520, 546 (1993)))

[14] *Espinoza v. Mont. Dep't of Revenue,* 140 S.Ct. 2246, 2260 (2020).

[15] *Id.* at 2261.

[16] 142 S.Ct. 1987 (2022).

[17] Id. at 2002.

[18] *See State ex rel. Johnson v. Baker*, 21 N.W.2d 355 (N.D. 1946).

Hello, my name is Kristen Klein,

My children's education is very important to me and my husband. This is why we choose Bishop Ryan Catholic School. They really fit everything we need and want for our kids, especially our religious freedom. It is very important to us to send our kids to a non-public school. This choice matters that we get to choose where we send our kids. However, it is not our choice where our tax dollars go to for education. With a fourth child on the way the cost of educating them all becomes cumbersome. Just because we love our big family, I don't feel like we should have to financially suffer because of our choice to go to a non-public school. Our family needs some sort of financial help for us to continue to educate them all in the non-public school system. I thank the committee for listening to our family, and hopefully will pass a bill that will help assist not only our family but other families with the same financial stress.

Hello

My name is Chauncey Klein and am a 43 year old father of three, soon to be four, children all under the age of 13. I am proud to say that I have called North Dakota my home from the time I was born in Williston, graduated from Minot High School, and eventually got my B.S. from North Dakota State University. When the time came for my wife and I to choose what school to send our children to, we made the choice to send them to Bishop Ryan Catholic School even though both of us graduated from public school. The decision ultimately came down to the desire for our kids to be able to have God a part of their education, which neither of us had and something we believe is important. Over the course of the past few years, this has proven more difficult with the costs of everything increasing due to the inflation that everyone is dealing with.

I believe that an Educational Savings Account could help families like mine navigate these struggles and be able to continue to give our children the education we believe is best. North Dakota is a truly great place to live and I implore you all to consider these circumstances that I know many families face.

Regards,

Chauncey Klein

February 3, 2025

Dear Members of the House of Representatives,

Our names are Ralph and Kathleen Charley. We live in Minot and are the parents of twelve children. Our journey through our city's schools has spanned many years and has included both public and non-public education. Our youngest child will graduate from Bishop Ryan this year.

We fully support parental rights to effectively direct the education of our children. For our family, the financial struggles to meet the needs of our children's education in non-public schools have been difficult, but necessary that we do so for some of our children, for many different reasons. Choosing a non-public school was and continues to be important to our family. Developing a strong foundation and character, practicing their faith daily, learning about service to those in need, virtuous caring for others and the importance of spiritual development all matter in our children's education.

We respectfully ask that you support meaningful funding that would allow families financial support for the cost of educating their children in non-public schools. We are grateful for your consideration and thank you for this opportunity to express our support of HB 1540.

Sincerely yours,

Ralph and Kathleen Charley

Greetings, House Education Committee,

My name is Jeremy Schmaltz. I live and work in District 42 and I am a parent and school board member who has chosen to enroll my child in St. Michael's Catholic School in Grand Forks, ND. I work as a clinical counselor in the area.

I support HB 1607, HB 1509, and HB 1540, but I am in support of all school choice bills that support parent autonomy and the right to provide an education for my child. I support HB 1607, HB 1509, and HB 1540 because having previous experience in both the public and private sector of education in my community as a former music educator, I believe that parents should have the right to choose where their tax dollars are allocated to provide their children with the best future they can provide. The public schools here in Grand Forks have chosen to include ideological content that is harmful to the natural development of elementary aged and middle school aged children. Kids are bullied for not being LGTBQAI + in GFPS. There has been a rise in kids who identify as transgender and non-binary ever since these policies have been adopted. Several students have gone as far as taking puberty blockers, have begun and nearly finished the process of transition. This is biologically and psychologically damaging on many levels, not to mention, banned in the EU. I find it sad that I must protect my child against this environment at my local public elementary school. As such, I do so voluntarily, but feel no other option but to send my child to a private institution. I personally choose a Catholic education for its rigorous academics, quality educators, the instillment of character and values that promote community service and leadership, and for its faith-based approach that aligns with our family's core values.

Having school choice will aid 100s of families in the Grand Forks area and 1000s throughout the state to have the ability to choose where their tax dollars go regarding their children's education, so that they can have the confidence and freedom that their tax dollars are being spent in accordance with their conscience and values. It also empowers the diversity of educational approach for those students who the traditional model of education does not work for.

I urge you to vote in favor of HB 1607, HB 1509, and HB 1540. In the United States, 11 states have universal private school choice programs, and 21 states have limited private school choice programs. It is time ND adopt these school choice programs to further empower its citizens and invest in the future of its children.

Thank you for your service to the state of North Dakota and your time on HB 1607, HB 1509, and HB 1540

Testimony against House Bill 1540

Dear members of the House Education Committee:

My name is Cam Leedahl. I live in rural Leonard. I urge a Do Not Pass on HB 1540.

Whether it be ESAs, vouchers, or "money follows the child", any taxpayer dollars spent towards non-public schools create serious issues. Here are a few:

1) Bigger government (administration) and greater burden to taxpayers. Arizona and other states with ESAs are running into financial trouble.
2) Accountability follows the money. Private schools will eventually be subject to rules and regulations that they currently are not under. They will eventually lose their uniqueness and independence that has made them different from public school.
3) Costs for tuition will rise, as they have in states that have had ESAs and vouchers for more than a few years. This is a burden for the non-public schools that do not take the money, and may indeed cause the end to some.

Non-public schools that use public money become **just a different type of public school**. That is not true school choice. In the end, the parent is simply deciding which type of public school they want.

Give this bill a Do Not Pass.

Education Committee Members,

Good morning, my name is Marie Franks of Aftyn Twp. adjacent to Minot on the south side. I would like to give you a brief background on who I am and what brings me to ask that you support HB 1540 and SB 2303.

I am a transplant to the beautiful state of ND and have been living here now for over 17 years. Before ND, I lived in PA with my husband where I studied for and obtained my master's in human resources administration. Prior to PA, I was born and raised in Sault Ste. Marie, ON Canada where I worked as a police officer for 10 years before moving to the United States to pursue my education and then marry my husband.

My husband and I have 2 children, our daughter is a junior at the University of Mary, studying biology and our son is a freshman at Bishop Ryan Catholic School. I am here to speak about the benefits of supporting educational freedom or school choice which is related to an educational savings account program or other bills that fund the same idea.

While there are several benefits to educational freedom, I would like to speak to 3 of them. Firstly, evidence shows that school voucher programs "have a positive effect on public students' scores and other metrics of student wellbeing" (Education Freedom Benefits All Student-Even Public-School Students, Cato Institute Blog, March 22, 2021). In reading several articles, blogs and online reports, a common thread among the information was that competition for students creates innovation and accountability for student academic achievement as well as giving parents choices that help them find educational opportunities that best suite the needs of students. The public schools just cannot do everything well for all kids.

The impact of school choice programs for students and families is significant in that data reveal advancements in student participation rates, academic outcomes, and parental satisfaction. As schools strive to meet families' expectations and demonstrate quality education outcomes, they attract and retain students. This is true for public school students as well as private schools or charter schools (which we do not have in ND). Parental satisfaction is an essential metric but one that is limited here because of the stronghold the state has on the educational options available, namely, the government run public schools or the out-of-pocket private schools and homeschools.

There is growing support for school choice, a concept that promises to improve education by allowing parents to choose between public and private schools using government (taxpayer) money. Now, this is a hot button topic! Using government money to fund educational choice (especially when a parent would choose a religious affiliated school). Some would argue that it is not allowed because of the separation between church and state. However, there is Supreme Court precedent that ruled that education funding following a student is not a violation because the primary beneficiaries are the families and their students, and they have a choice in the matter.

For too long, the only special interest groups in K-12 education that were being heard were the employee unions, teacher and administrator unions. Now there's a new special interest group and it is the parents, and we are not going away anytime soon. Parents felt powerless in 2020 during the Covid shutdowns and the years following as they caught glimpses of what was happening in their

kids' classrooms via zoom or not happening, depending on where your child was being educated. For many parents, it was as awakening to how few options were available to parents here in ND and how responsive our schools were to the needs of parents, a child's primary educator and how difficult it was to affect change. Many parents felt powerless and many still do and this has given rise to the need for better options for educational choices in our state.

The argument that school choice is going to defund public schools or that there is no accountability is just plain false. Public schools that continue to fail their students defund themselves when they do not provide a solid educational product, similarly, a private school would cease to exist if it did not provide a great educational product. In fact, when I first moved to Minot, I was appointed to the Minot Catholic Schools school board and the projection numbers for long-term viability were bleak. After a major internal assessment and with the input from many stakeholders and new leadership, new curriculum and hard work, Bishop Ryan has turned the tide and is thriving. Low performing public schools coupled with few educational options is a major disservice to our families and to our state as a whole.

In ND, that average cost to educate a child in the public schools is estimated at $17, 689 in the latest research year 2024-25 in Public School Review. While the average cost to taxpayers for students in school choice programs is approximately $6000, about 1/3 the cost.

As a parent that pays taxes to the school district I live in and to which I get no benefit from that school and in addition we pay tuition to send my child to Bishop Ryan, the costs really seem unjust.

I truly believe that money for educating a child should follow the child. While critics argue that choice programs will dismantle or defund public education by shifting large number of students, the data tells a different story. Expanding choice programs does not harm public schools but rather serves to help them rise because they will have smaller class sizes making it easier to spend more time with students who need help, perhaps helping those in rural areas that are severely restricted by options, giving them opportunities that cannot exist in the system as it currently is.

As the primary educators of our children, we must be given the opportunities to select the educational product that will best suit our kids and should not be penalized or restricted to the only choice being public, government funded school. Having a monopoly on education in this state is not serving our students, their families or large employers with recruitment and retention issues (like healthcare and other industry). Without educational freedom options that enhance and empower parents to help their kids attain the best possible education outcomes, we place yet one more hurdle to becoming the best state to live in, work, play and learn in. Attracting new people to North Dakota means opening our minds to unrestricted education freedom to establish an atmosphere in which individuals can realize their best academic outcomes.

Please vote yes on HB 1540 , SB 2303 or any other bill that speaks to the same issue.

Thank you!

I was a student in public schools in a community where many of my friends were in the local Catholic elementary school connected to our church. My family could send my brother and me to the local public school. It was hard as a kid to understand why my friends from church and activities went to a different school than me, but as an adult, I now understand. My brother had needs that could not be met at a private school. I struggled with reading, and our local public school had reading specials to enhance the instruction I received in the classroom. Now, as a public-school teacher and mother believe wholeheartedly that their choice was the best for our family. Those services we received wouldn't have been as possible if public funds had gone to the private school in our area. As a kindergarten teacher, I see students start in private schools and then come into public school classrooms after their needs have not been met in those locations. As a mother, I have a child who is on an IEP for dyslexia and receives not only special education services but also reading interventions through a reading specialist. Private schools do not have to accept everyone. Private schools do not have to meet the needs of every student like public schools. Private schools do not have the same regulations and expectations as public schools. Therefore, public dollars should not be used for private education. Every parent should have a choice on what is best for their child. However, public dollars are meant for the free inappropriate education that public schools provide. I encourage you to oppose any bill that gives public dollars to private schools.

Thank you for your time

Monica Klein

Chairman Heinert and Members of the Committee,

My name is Mike McNeff, and I serve as Superintendent for Rugby Public School District. I appreciate the opportunity to testify in opposition to House Bill 1540, which proposes the creation of an Education Savings Account (ESA) program that would divert public education dollars away from public schools and into private education accounts.

As a fiscally responsible, conservative state, North Dakota must ensure that taxpayer dollars are spent with full transparency and accountability. HB 1540 fails to meet that standard. The bill allows public education funding to be transferred to private schools, tutors, online programs, and postsecondary institutions without requiring any of the accountability measures that public schools must follow. Private institutions that receive ESA funds would not be subject to state curriculum requirements, standardized assessments, or financial audits. Public funds should require public oversight, yet this bill allows public dollars to flow into private entities with little to no transparency.

Public schools educate 90% of North Dakota's students and serve every child, regardless of background, income, or ability. HB 1540 weakens the public education system by reducing resources available to public schools while subsidizing private education options that do not serve all students. The bill would count ESA students in public school enrollment figures while simultaneously pulling funding away from those very schools. This means public schools will be expected to operate under the same mandates, serve the same students, but with fewer resources—placing an unfair burden on rural school districts.

North Dakota is made up of 170 school districts, with most in rural communities that lack private school options. This bill disproportionately benefits urban areas where private schools exist while doing nothing for the many rural students who do not have access to an alternative school. We should not incentivize urban areas at the expense of rural communities. If the intent is truly to support all students, then any ESA should be structured to provide an equal flat dollar amount for all 127,500 students in North Dakota—whether they attend public, private, or home school. HB 1540, however, prioritizes private education and creates an inequitable funding structure that leaves public school students behind.

Additionally, HB 1540 raises constitutional concerns. Article VIII, Section 5, and Article X, Section 18, of the North Dakota Constitution explicitly prohibit public funds from being appropriated to sectarian schools. This bill attempts to circumvent those protections by directing state dollars into private education accounts that will inevitably fund religious schools. This is an unconstitutional use of taxpayer funds and a direct violation of the principle that public money should support public institutions.

If North Dakota is going to invest in education, those funds must be accountable, transparent, and used for the benefit of all students, not just a select few. HB 1540 fails to meet this standard. If the goal is fairness, then ESA funds must be distributed equitably to all students, regardless of their educational setting. I urge you to oppose HB 1540 and any legislation that

weakens our public schools by diverting public funds to private education providers without accountability.

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

Dear lawmakers,

As Superintendent of the Valley-Edinburg School District, encompassing five small rural communities in the northeast corner of North Dakota, I ask that you consider the constitutionality of the many ESA bills presented to you this session.

North Dakota's Constitution is unquestionable about the use of public school funds for sectarian schools: "no money raised for the support of public schools shall be appropriated or used for the support of any sectarian school." Likewise is the constitutionality of reimbursing student families for private school tuition: "Neither the state nor any political subdivision thereof shall make any direct or indirect appropriation or payment from any public fund in aid of any sectarian school." The compulsory nature of our educational system requires our state to offer free, equitable public education to all students in our state. The issue does not lie in the creation and use of ESA's, if the amount of support is equal for all students in the state, regardless of the type of education they choose to access.

My school district is currently educating 223 students in our buildings. These 223 students come from varying socioeconomic backgrounds and were born with varying abilities and health conditions. It is our responsibility and constitutional mandate to educate each of these students, regardless of these factors. The ND Department of Public Instruction recently developed a North Dakota School Needs Rank List, in which a 1-10 scale (l=lowest need and 10=highest need) rated each school's overall level of needs based on the percentage of students with the following disadvantages: economic, free and reduced lunch counts, students with disabilities, IEP assignments, students learning English as a second language, and Native American students. Valley-Edinburg's PK-2 grade building in Hoople received an 8 ranking; Valley-Edinburg's 3-6 grade building in Crystal received a 7 ranking; and Valley-Edinburg's 7-12 grade building in Edinburg received an 8 ranking. These rankings suggest a high level of student needs that we are committed to addressing and meeting every day, because that is what we are charged to do as a public school in the state of North Dakota. Despite these needs, our district, through adequate funding, smart budgeting, and outstanding teaching, manages to exceed the state average by almost 20% in ELA achievement, by almost 20% in Math achievement, and over 20% in Science achievement in our annual state academic testing last year.

This is not easy work, and our charge changes continuously throughout the school year based on ongoing diagnoses, fluctuating enrollment, etc. Not only do we work diligently throughout the school year to provide each of these students with a Free and Appropriate Education, we also work continuously to provide enriching, supplemental programs for all of our students and school community families, because we know that great education happens when you choose to educate the WHOLE child:

- In-house Dual-Credit Biology Courses (offered to surrounding schools via ITV)
- Course planning w/ Lake Region College for high school students to earn Associate's Degrees or General Education Certificates
- High school school-to-work placements with area businesses

- Member of North Valley Career and Technical Center (offered to all 10-12 graders - marketing, agriculture, business, health care, automotive, construction, and welding)
- Extensive career exploration programs: job shadows, college visits, career exploration events (SCRUBS Camp & Manufacturing Days)
- Spanish program for all 9-12 grade students
- Competitive theater and music programs for all 7-12 grade students
- Co-curricular opportunities such as River Watch, FCCLA,
- On-site telehealth services for counseling and mental health appointments
- On-site speech therapy, occupational therapy, physical therapy, psychological services, and behaviorist services
- In-house Valley-Edinburg Special Education Unit
- Math and reading intervention program for all PK-12 grade students
- PK-2 grade in-house Spanish immersion program
- In-house daycare facility
- District-sponsored preschool program
- In-house Extended School Program, providing additional learning from 7AM-5:30PM for all PK-8 grade students
- Monthly interest clubs for 3-6 graders
- Tiny Titans Basketball Camp for all PK-2 graders
- Tiny Titans Cheer Camp for all PK-2 graders

These programs have all been developed as a response to our local needs and stakeholder requests. As a parent of two children currently enrolled in this school system, I am excited about the opportunities they have access to every day in our school district, on top of the excellent educational experience they receive.

These 223 public school students are the future of North Dakota's workforce and our nation's workforce. We ask that these students, as mandated by the state's constitution, receive the level of priority that they deserve.

Chairperson and Members of the Committee,

My name is Aaron Schramm, and I serve as the Superintendent of Park River Area School. I am here to express my strong opposition to the proposed Education Savings Account (ESA) legislative bill HB 1540, which seeks to allocate public funding for private school students. This legislation threatens the integrity and viability of our public education system in North Dakota, and I urge you to oppose it.

Public schools serve as the foundation of our communities, ensuring that every child—regardless of background, ability, or socioeconomic status—receives a quality education. Our commitment is to provide equitable learning opportunities to all students. This proposed ESA bill undermines that principle by diverting crucial public funds away from our schools and favoring private institutions.

One of the most concerning aspects of this bill is its funding model, which grants public financial resources per student to those attending private schools without a similar opportunity for those enrolled in public schools. Public schools are already facing budgetary constraints due to inflation, increasing operational costs, and growing student needs. Providing additional funding to private schools at the expense of public education only exacerbates these challenges, leading to larger class sizes, reduced academic programming, and fewer support services for students who need them most.

Furthermore, private schools are not held to the same accountability and transparency standards as public schools. Unlike public institutions, which adhere to rigorous oversight regarding curriculum, assessment, and inclusion policies, private schools have discretion over admissions, instructional methods, and financial practices. Public tax dollars should not be funneled into institutions that are not required to serve all students equitably or demonstrate measurable educational outcomes.

The ESA proposal also raises concerns regarding rural education. Schools like Park River Area School serve as the backbone of their communities, providing not only education but also essential services such as transportation, special education, and extracurricular activities. Shifting taxpayer dollars to private schools, which are often concentrated in urban centers, risks widening the education gap for rural students, leaving them with fewer resources and diminished opportunities.

The best way to improve education in North Dakota is not by redirecting funds away from public schools but by strengthening our investment in them. If the goal is to empower families with more educational choices, we must ensure that public schools have the resources necessary to provide high-quality instruction and support tailored to the needs of all students.

For these reasons, I respectfully urge the committee to oppose the ESA legislative bill 1540. Public education is a public good, and it must remain a top priority for the future of our state and our students.

Thank you for your time and consideration.

Aaron Schramm
Superintendent, Park River Area School

Dear ND legislators & reps.,

My name Jacquelene Kraft from Devils Lake, mom of 3, & parish member of St. Joseph Catholic Church. This letter is a testimony in response of the request of passing of a school choice bills. I have chosen for my kids to go to Catholic school for the education and values that they learn there. Yes teaches about Bible & theology, but it is much more than that. The school fosters real core beliefs that any child should learn, whether catholic or not. I see the excitement in my kids when they master the weekly virtue and receive a VIP sticker. What they learn is of course English, math, and normal elementary/middle school curriculum but so much more. My 15yr. Decided to stay for 7th-8th grade instead of going to public school for middle school. Please don't get me wrong, there is nothing wrong with public school & went my entire life and turned out perfectly good. Well educated and a good community member, but could've had a more if i went to my kids Catholic school. I know with what my kids have & will continue to be provided I would look for ways to continue to stay even if my husband wasn't the part time teacher. The bill passing could help funding the current school, to bring in others who would love to send but can be costly & unable to. There are even programs & talking to the principal & father to help if this is a parents choice, no one should be denied this benefit/school education. I have paid taxes since 16 yrs old & believe we live where our voices can be heard. The school is also like a family, getting all done required & really caring about our kids. I have never regretted sending my kids to Catholic school & as soon as the two youngest were ready was excited to start their school career & yes learn about our family values & our God almighty. The bill could also let us continue to send our kids there. We are a family of 5 and middle class, so keeping costs lower is best for us & the community. Please consider this in your decision, since this a yet another bill for the session but passing could impact lives, of myself & others.

Thank you for reading & taking time to listen to my voice among many.

Sincerely,


Jacquelene Kraft

Dear Committee,

My name is Kelsey Connole and I am writing today in support of HB 1540. My husband and I are the parents of two North Dakota, elementary-aged school children. Like all parents, we are always looking for ways to best support our children's growth and development, and one of those ways is by choosing the schools our children attend.

The capacity for parents to make educational choices for their children is a freedom that should be allowed to all regardless of financial ability. Parents are increasingly choosing to send their children to non-public schools, but doing so does not come without the financial burden of non-public school tuition.

Having an Educational Savings Account could greatly benefit our family. More importantly, an Educational Savings Account could greatly benefit the families of children whose parents desire a non-public school education for their children but are unable to make a commitment due to financial hardship. Parents of all families deserve to be able to make the educational choices they see best fit their children.

Please consider a 'Do Pass' on HB 1540 for the freedom of educational choice for the parents of North Dakota.

Thank you, Committee, for your time.

North Dakota Home School Association

Serving Home Educators since 1985

HB 1540
No

Chairman Beard and Members of the Senate Education Committee,

As representative for the North Dakota Home School Association (NDHSA), I would urge a **"do not pass" recommendation for HB 1540**. There are many bills this session deemed "choice" when they are really about funding. The NDHSA is and has always been opposed to public funding of home education. That is where the vast majority of homeschoolers land on this issue and yet we are always added to these bills. It is frustrating and gives both legislators and the public the impression that home educators are wanting public funding of their educational choice - **this is not true**!

Publicly funding home education or private education will in essence end private education through the loss of independence and autonomy. We hear over and over that our freedoms will be preserved and there won't be strings attached, but that is a fantasy. When people become dependent on government, often they are willing to give up freedom rather than to lose that "help."

As I digest the bill it does leave me a bit confused. Page 4 line 26 uses the term "private school." So is this a bill to fund private schools with tax payer dollars? Page 3 lines 4 and 5 says that monies can be used to purchase curriculum or pay tuition fees for online learning programs. That could indicate homeschools. Then on page 4 lines 3 and 4, it says a student can transfer to another private school or homeschool and retain funds.

Several countries which embraced "school choice" through funding eventually lost the ability to have prayer or religious curriculum in their once private schools. Homeschooling also became illegal. This has happened in Sweden, Australia and South Africa. Home educators in these countries are embroiled in court battles and some have had their children removed by the state because of programs such as are being proposed and implemented in the United States.

We would respectfully ask you to use these dollars in another way and keep home educators out of all Education Savings Account bills.

Sincerely,

Theresa Deckert 701-662-4790
Legislative Liaison/Lobbyist
North Dakota Home School Association

To Whom it may concern,

I am writing to express my strong opposition to HB 1540, which is currently under consideration by the committee. As a concerned life-long resident and teacher in North Dakota and a firm believer in the strength of our public education system, I urge you to recommend a DO NOT PASS on this legislation. I am a product of K-12 public education from a Class B town in western North Dakota, a product of the University of North Dakota, and now a teacher in a city in eastern North Dakota. The legislation in question seeks to divert crucial funds from public schools by implementing a voucher system.

My first concern is the limited access to private schools. As I said before, I am from a Class B school in western North Dakota. The closest private school was almost an hour drive. Only 32% of North Dakotan families have access to private schools, meaning that the majority of our residents would not benefit from the proposed voucher system. By diverting public funds to private institutions, we would be disproportionately benefiting a small segment of the population while leaving the vast majority of North Dakota families without equal opportunities.

There are also inequities in homeschooling vs public schooling. Our public schools have state standards that all public schools must follow. Homeschooling doesn't have the same standards public schooling currently institutes, and even with the proposed changes massive inequities will still exist. By diverting funds to homeschooling, we are financially hindering our public dollars to support students who aren't involved in the public process.

Our public schools already face financial challenges that haven’t been met yet. Schools are underfunded, overcrowded, and do not have enough resources to go around. Public money should be going to the public buildings to fully-fund the opportunities for the students. A voucher system is not beneficial for the crisis that already exists.

The public schools in North Dakota are integral to our future leaders and future work force. If public money is diverted to private institutions, then the students suffer. Remember, there are 78% of students who do not have access to a private institution. Private institutions are also not held to the same standards as public schools. The rural – urban divide will widen. The educational crisis will become worse.

I respectfully urge you to reject the proposal of school vouchers in North Dakota in all of its iterations. Public dollars must be protected and stay in the public sector.
Thank you for your time,

Erika Feole

#34573

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Growing together to enrich the world.

Grand Forks Public Schools cte Career and Technical Education

Eric Ripley
Executive Director, Career
& Technical Education
Grand Forks Area Career and Technology Center

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February 4, 2025

Subject: Opposition to ESA Provision for Private School Reimbursement

I am writing to express my strong opposition to the provision within the Education Savings Account (ESA) proposal that allows for reimbursement of private school tuition. While ESA programs can be beneficial for North Dakota families and students, the current structure of this legislation raises serious constitutional concerns and creates an inequitable allocation of public funds.

Our state's constitution is explicitly clear regarding the funding of education as outlined below.

> **Article VIII, Section 5 states that "no money raised for the support of public schools shall be appropriated or used for the support of any sectarian school."**

Additionally, Article X, Section 18 affirms that

> **"neither the state nor any political subdivision thereof shall make any direct or indirect appropriation or payment from any public fund … in aid of any sectarian school, or for any other sectarian purpose."**

Providing public dollars—even in the form of reimbursements—to private schools conflicts directly with these constitutional provisions.

Public schools serve approximately 90% of North Dakota's students, regardless of ability, background, or health. These institutions ensure equal access to education for all children, a responsibility that no other educational entity fully assumes. It is imperative that the legislature prioritizes funding for public schools, which remain the foundation of our state's workforce and future economic stability.

I urge you to amend the ESA proposal by removing the provision for private school reimbursement while maintaining fair and equitable support for all students, regardless of where they attend school. A constitutionally sound ESA program that benefits all families would be a reasonable and just approach.

Thank you for your time and consideration of this important matter. I appreciate your commitment to upholding the integrity of North Dakota's constitution and ensuring fair educational funding for all students.

Sincerely,

Eric Ripley
Executive Director of Career & Technical Education

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An Education Savings Account Policy Would Benefit All Students, Including in Rural North Dakota

Testimony before
North Dakota Senate Education Committee

February 4, 2025

Dr. Matthew Ladner
Senior Advisor, Center for Education Policy
The Heritage Foundation

Jason Bedrick, MPP
Research Fellow, Center for Education Policy
The Heritage Foundation

Our names are Matthew Ladner and Jason Bedrick. We are researchers at The Heritage Foundation's Center for Education Policy. The views we express in this testimony are our own and should not be construed as representing any institutional position of The Heritage Foundation or its Board of Trustees.

Senate Bill 2303 would give North Dakota families greater freedom to choose learning environments that align with their values and meet their children's individual learning needs.

As Gov. Kelly Armstrong recently observed in his State of the State Address, with an ESA, the "money follows the student, not the school, ensuring every student has the tools they need to prepare for college, a career or the military."

Education savings accounts, or ESAs, let families access state funds to pay for private school tuition, tutoring, textbooks, online courses, special needs therapy and numerous other educational expenses. Nineteen states have already adopted ESA or ESA-style policies, and several more are considering similar policies this year.

ESA opponents often make two claims: 1) that there are no schooling options in rural areas; and 2) that rural schools are imperiled because so many students will leave for those options. These claims are mutually exclusive. They cannot both be true simultaneously. But they can both be — and indeed are — false.

First, families in rural areas have access to more education options than ever before. According to an analysis by the Brookings Institution, about seven in 10 rural families nationwide live within 10 miles of a private elementary school.[1] Rural areas are also seeing the rise of microschools, a modern reimagining of the one-room schoolhouse.

Microschool networks like Acton Academy, Adamo Education, Great Hearts, Kai Pods and Prenda are teaching students in small groups, sometimes operating out of homes or church basements. Their approaches vary greatly — ranging from classical to Montessori — but all offer greater flexibility and more individualized attention than the traditional classroom environment.

Additionally, high-quality virtual schools are available to anyone with a decent internet connection, which is becoming increasingly available in rural America. A 2021 survey by the Pew Research Center found that 72 percent rural Americans said they have a broadband Internet connection at home, up nine percentage points since 2016.[2]

Second, as we detailed in a Heritage Foundation report, fears that the wide availability of education options would harm rural schools are entirely unfounded. [3] Arizona, for example, has consistently ranked among the top states for education freedom and choice over the past two decades. More students exercise their school-choice options in Arizona than in any other state. If choice policies harmed district schools, then Arizona's rural schools would be faring far worse

than the national average.

In fact, Arizona's rural schools have fared *much better* than the national average. From 2007 to 2019, Arizona rural students' fourth- and eighth-grade reading, math, and science scores on the National Assessment for Educational Progress increased by a combined 21 points, while scores in rural schools nationally decreased by two points. On the most recent NAEP, post-pandemic, Arizona's rural students still show a stronger trend since 2007 on all six state-level exams than for rural students nationally.

Education choice policies like ESAs expand educational opportunity for rural families while spurring rural district schools to improve their performance. By embracing education choice policies, like the ESA policy proposed in Senate Bill 2303, North Dakota lawmakers can deliver on the promise of America's education system and ensure that all children have access to the learning environment that best meets their individual needs and helps them to achieve their full God-given potential.

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[1] Matthew M. Chingos and Kristin Blagg, "Who could benefit from school choice? Mapping access to public and private schools," Brookings Institution, March 31, 2017, https://www.brookings.edu/articles/who-could-benefit-from-school-choice-mapping-access-to-public-and-private-schools/.

[2] Kim Parker et al., "What Unites and Divides Urban, Suburban and Rural Communities," Pew Research Center, May 22, 2018, https://www.pewresearch.org/social-trends/2018/05/22/what-unites-and-divides-urban-suburban-and-rural-communities/

[3] Jason Bedrick and Matthew Ladner, "Rustic Renaissance: Education Choice in Rural America," The Heritage Foundation, January 9, 2023, https://www.heritage.org/education/report/rustic-renaissance-education-choice-rural-america/.

To the House Education Committee,

My name is Lisa Roers and I live in District 37. I am the parent of 4 children who I have enrolled in Catholic Education over the past 13 years. I am in support of HB1540 1590 that supports the parent's right to chose the route of education they would like their child to take.

When it was time to choose a school for our children, we toured both public and private schools. At that time, the schools were overflowing with children and the teachers were not able to provide the small atmosphere we wanted for our children. This was during the boom and we wanted to have teachers we could talk to for any questions we had as well as keep our children accountable for their actions. Yes we knew we would still be paying for public schools to be operational but we were getting so much more for our children in a private setting. These will also be the children that will some day step up to be on committees, volunteer to help with sports etc and know how important it is to give back to their communities.

I urge you to vote in favor of HB1540. Thank you.

Lisa Roers

Hello House Education Committee,

My name is Kara Trom. I live in District 25 and I am a parent who has chosen to enroll my children at St. John's Catholic School in Wahpeton, ND. I support HB 1540, but I am in support of all school choice bills that support parent autonomy and the right to provide an education for my children. I support HB 1540 because I believe that all families should have a say in the environment in which their children receive education.

St. John's Catholic School provides an excellent education curriculum and learning environment but with a Christ-centered focus, which differs from public-school systems, and something we value as a family. The ability for our children to attend private school is a great expense to our family, and we have had to make many sacrifices to continue to send them there. The opportunity to receive assistance with tuition from our tax dollars will greatly benefit our family and many others like ours. We pay taxes to educate our children, however the public school is not educating them. The opportunity to attend private school should not only be for the wealthy, but it should be for all students in North Dakota. Every child should have the opportunity to attend a school that fits their needs and beliefs.

I urge you to vote in favor of HB 1540 to allow parents greater flexibility when choosing which school, they send their children to and ease the financial burden that goes with private schools.

Thank you for your service to the state of North Dakota and your time on HB 1540.

Kara Trom

Wahpeton, ND

To the ND House and Senate Education Committees –

Thanks for your hard work on behalf of North Dakotans.

My name is Carrie Schumacher, and I live with my husband and 8 children in Bismarck; we are on WIC, Medicaid, and SNAP, though my husband teaches full-time at the University of Mary. Our oldest child is 16 – a junior at School of the Holy Family in Mandan – and they progress down in age from there (14, 12, 10, 8, 6, 4 & 2). The 14-year-old takes a couple freshman classes at BHS and plays sports there, but is primarily homeschooled, as are his younger siblings. Our kids love learning at home – in addition to personal attention, they complete their work quickly and efficiently, leaving them time for music lessons, sports, jobs, and relationships – but they also appreciate access to the public and private school systems. Our youngest child has Down's syndrome, which requires extra time and attention, but the older kids have benefited from learning to love her well and to have compassion for folks with disabilities.

All this is to say – our family has a wide range of gifts and abilities, goals and desires, from a 16-year-old who will apply to elite institutions to a 2.5-year-old who cannot yet walk. These various bills that would allow educational funds to be released to families (especially low-income families like ours), would be a huge benefit for those of your constituents who are called and equipped to offer their kids an education that varies from the standard public-school model.

In case you were unaware, there is a group called Braintree Academy that helps homeschool families in several states recoup some of their school tax money in exchange for increased reporting on educational goals (in the case of ND, they allow families to use $1700/child enrolled)… but I am sure neither of their end game, what their financial benefit is, nor what is done with the information we submit. It may be more efficient to cut out the middle man and access the funds directly from a state account. Other states have already implemented a similar model to what you are considering.

There is an argument that bills like these may divert funds from public schools, but
(1) as I (possibly incorrectly) understand it, the school tax moneys from homeschooling families do not get forwarded to their local schools, but rather sit in an account, unapplied.
(2) Because there is limited space at both public schools and private schools, homeschoolers/ private schoolers actually help maintain a stasis at the public schools – and there's not likely to be a huge 'run' on private schools if these funds are available, as they have only so many seats.
(3) Also, because most families who want to homeschool or use private schools have already made the sacrifice, there may not be a huge increase in either population.
(4) Having these funds available for private schools would further benefit families, as the income would help schools' available scholarship funds go further to help more students.
(5) Citizens have paid tax dollars for education and would appreciate being able to access them.

Thank you for considering ways to help families like ours attempt to produce the next generation of faithful, compassionate, and wise North Dakotans.

Carrie Schumacher
1001 N. Mandan St, Bismarck

I am writing this in opposition to HB 1540. I have been an educator for 32 years and I spent 9 years of that teaching in private schools. I personally know that private schools don't provide services for a whole sub-section of students, mainly students with disabilities. Public schools are held to a higher standard since they are required to accept ALL students. This is a time when we need all our resources in the public schools.

HB 1540 aims to divert taxpayer dollars to private and religious schools, which are not held to the same transparency, accountability, or accessibility standards as our public schools.

No matter what these bills are called—education savings accounts, scholarship programs, or otherwise—if they divert public dollars to private schools, they are vouchers.

Public funds should remain in public schools, where they serve all students, regardless of ability, background, or financial status. Our public schools are the foundation of our communities, and instead of diverting resources away from them, we should be investing in smaller class sizes, support staff, mental health resources, and competitive wages for educators.

North Dakota students, families, and educators are counting on us to stand up for **fully funded, equitable public education.** Let's make sure every public dollar stays where it belongs—in public schools.

Michelle Strand

Veteran K-12 Teacher

2015 Presidential Award for Excellence in Mathematics and Science

2022-23 Albert Einstein Distinguished Educator Fellow

National Board Certified Teacher since 2014

HB 1540 – Relating to Educational Savings Accounts

Mandan Public Schools – Dr. Carly Retterath Testimony

I am Dr. Carly Retterath, Assistant Superintendent of Mandan Public Schools. I am writing to you today to express my opposition to House Bill 1540, which seeks to establish Educational Savings Accounts (ESAs) for North Dakota students.

First, I want to thank this committee for their time and dedication to North Dakota Students and their families. While I support giving families voice and choice in their student's education, I cannot support this bill as it is currently written.

First, public money requires public accountability. Our public schools are held to rigorous standards of accountability and transparency. Every dollar spent is tracked and audited to ensure it is used effectively. In contrast, while this bill outlines some accountability for private institutions it does not appear to require public audits or public-school board meetings. Diverting public funds to private schools through ESAs without these safeguards undermines the accountability that taxpayers expect and deserve.

In addition, it is often argued that private schools achieve better test scores, but it is essential to recognize that private schools have the luxury of selecting their student body. Currently, there is no provision in the bill that would prohibit private schools from denying students based on academic deficits, behavioral needs or other established criteria. By choosing which students to admit, they can shape their performance metrics, thus creating an uneven playing field when compare to public schools, which are committed to educating every child regardless of background, ability, or socioeconomic status.

Furthermore, rural schools are the lifeblood of their communities. They are more than just educational institutions; they are centers of community life and civic engagement. Diverting funds away from these schools to support ESAs will exacerbate the financial strain on already resource-limited rural schools. This policy would not provide any meaningful choice to rural students, as private schools are often not a feasible option due to distance and accessibility.

Instead of siphoning funds away from public schools, we should focus on strengthening them. Investment in public education is an investment in the future of our state. Ensuring equitable access

to high-quality education for all students, regardless of their geographic location or economic circumstances, should be our top priority.

Instead of siphoning funds away from public schools, we should focus on strengthening them. I fully support parents' ability to choose services such as tutoring, counseling, and college coursework to meet their child's needs. However, we need to be cautious about giving money to private institutions without appropriate accountability and at the expense of students that do not have the same opportunities. Investment in public education is an investment in the future of our state. Ensuring equitable access to high-quality education for all students, regardless of their geographic location or economic circumstances, should be our top priority.

In conclusion, House Bill 1540 threatens to weaken the very foundation of public education in North Dakota. It diverts critical resources from public schools and lacks the accountability that stewardship of public money demands. I urge you to consider the long-term implications of this bill and to stand against it in support of our public education system.

Thank you for your time and consideration.

To the ND House Education Committee,

Hello,

My name is Kristin Franzen. I live and pay taxes in District 36. My 4 children attended non-public schools in this district from 1995 – 2014. I also currently have grandchildren attending non-public schools in District 35 and I own a business in District 32 that has been paying local taxes in that District since 2001.

I support HB 1540, and I am in support of State-funded educational savings accounts and all school choice bills that empower parents to choose the right educational option for their children.

Parents partner with schools to provide an education for their children and parents should be primary in their education. As a parent who therefore wants to be involved with my children's and my grandchildren's education and to have a choice, and a voice in the academic, cultural, social and spiritual environment that surrounds them, I support HB 1540.

Most non-public schools in ND were established to empower parents to partner in their children's education through shared standards and beliefs. They were not established for the well-off or for the elite. While we were paying both the taxes for our public school system and the tuition for our children to attend the school of our choice, our financial situation was such that we qualified for reduced hot lunches. We and many others made many sacrifices to send our children to the school of our choice, because of our strongly held belief that it was the right educational environment for our children.

The financial burden of non-public education has eliminated the "choice" for many families in ND. For the sake of our children and grandchildren, it's time to recognize our freedom of choice in education through the appropriation of funds for all students in this state through the use of State-funded educational savings accounts.

I urge you to vote in favor of HB 1540.

Thank you for your service to the State of North Dakota and for your time on this important bill.

Respectfully,

Kristin Franzen

Testimony in Support of House Bill 1540

Chairman Heinert and members of the House Education Committee,

My name is Daniel Martinez. My wife, who could not be here today, and I are United States Air Force Veterans and parents to eight beautiful children.

I am here to testify in support of House Bill 1540 and respectfully request that you render a "DO PASS" on this bill.

We feel very strongly about the ability to choose an education for our children that best suits them and firmly believe that we as parents, are *the* most qualified to make that decision. Furthermore, my wife and I believe that the manner in which their education is funded is a matter of justice and parental rights. On the matter of justice, it is the duty of our government to justly and fairly distribute both public benefits and burdens to *all* its citizens. It is not just that we simultaneously help fund a public school system for which our children will not benefit from, while also paying tuition to the school that is actually educating them. On the matter of parental rights, it is our duty as parents to guide and direct the education of our children. The path that we have chosen for our own kids is directly in line with our religious and educational beliefs. Our right to choose the foundation upon which their futures are built should not rest on whether I need to seek out additional employment or empty our savings account year after year. This is why a bill such as this is needed.

I stated previously that my wife and I are raising eight children. Our five school-aged kids are enrolled in Bishop Ryan Catholic School. Over the last 12 years, three of them have attended six different schools across four different states, both public and private. We know without a doubt that they thrive in Catholic schools. Although it has been a heavy financial burden, we feel it is the best choice for them. Unfortunately, after this school year is over we may be faced with a very difficult decision: Who do we pull out of Bishop Ryan? Our kindergartener who comes home excited to tell us that she loves Jesus and can't wait to see him one day? Our 2nd grader who can recite his prayers in Latin and tells us about the beauty of First Holy Communion and Reconciliation? Or will it be our 7th grader who is autistic and ADHD and struggles every day, but finds solace in the wonderful teachers and staff that go above and beyond to make sure that their lessons reach him in a way that he can understand? Or will it be my Junior or Sophomore girls who excel in their academics, but more importantly have expressed a calling to serve God and their community which is a direct influence by the culture of giving that Bishop Ryan has instilled in them. I don't have an answer today.

I would like to comment on just one more thing: My wife and I have been together for almost 25 years; she is from Minnesota and I am from Arizona. In 25 years the closest we've been to either of our families is an 8-hour drive. We have missed countless birthdays, weddings, holidays, and funerals. We've talked about where we would call home when she retired from the Air Force for over two decades, and I have to say that Minot, ND was never on the list. We dreamt of being close to family, hers or mine, it didn't matter as long as we were close. Bishop Ryan Catholic School has changed all of that. My wife retired last month, we bought a house in Minot and have decided that

the great state of North Dakota is our home. Bishop Ryan is the reason we stayed. If a school like that can completely alter our 20-year old plans and have such an immense impact on the direction of an entire family, please consider how many more families could be helped if they too had the means to send their kids to a school of their choice.

Thank you all for your time.

GRAND FORKS PUBLIC SCHOOLS
Growing together to enrich the world.

Dr. Terry Brenner
Superintendent of Schools

Phone: 701.787.4880
Fax: 701.772.7739
tbrenner270@mygfschools.org

February 4, 2025

Dear North Dakota Legislators:

As a long-time servant in public education amassing 42 years of professional experience as a teacher, principal, director and now superintendent, I am writing to express my strong opposition to HB 1540, HB 1590, HB 1607, and SB 2400, which are currently under consideration by the committee. It has been my vocation to advocate for students on all levels of the educational spectrum from gifted and talented to multi-lingual to special education and general education. Public schools are the linchpin to a sustained democracy and represent ALL people from a global perspective. We welcome ALL students at our front doorstep every single day.

Given the above, I implore you to recommend a DO NOT PASS on this legislation. The legislation in question seeks to divert crucial funds from public schools by implementing a voucher system. I don't need to remind you of the separation of church and state as you well understand the Constitution.

If this is an attempt to create competition so public schools can "up our game", please consider the following challenges public education has undertaken, sometimes without the necessary funds:

- Special Education student population has increased from 9% to 20% over the last generation. IDEA funding (federal) has not kept pace with special education needs.
- Multi-language learners doubled from 200+ to over 400+ in one academic school year with little funding to support programming.
- We have been forced to create satellite campuses for students who are coming out of drug/alcohol rehab, students with a violent history, and students who have been expelled from other school districts.
- The lack of "school readiness" for students entering kindergarten has increased significantly. In a classroom of 18-21 kindergarten students, there is a 5-year disparity between the top and bottom performers in that given classroom.
- Since COVID-19, absenteeism has skyrocketed (we have new procedures in place addressing this with some good results) which creates more workload for classroom teachers in "catching up students".

I am fully aware that fighting for public education and the necessary resources that accompany it is an uphill battle in North Dakota. It is disheartening to know that it has come to this.

I respectfully ask you to fully and completely understand what these bills will do to public education. And I urge you to vote these bills down.

Professionally,

Terry Brenner

Dr. Terry Brenner, Superintendent
Grand Forks and Grand Forks Air Force Base Public School Districts

To whom it may concern,

I am writing to express my strong opposition to HB 1540, which is currently under consideration by the committee. As a concerned life-long North Dakota resident, the current Board President of District 1 (Grand Forks Public Schools), and a firm believer in the strength of our public education system, I urge you to recommend a DO NOT PASS on this legislation. The legislation in question seeks to divert crucial funds from public schools by implementing a voucher system.

Key Concerns Regarding the Voucher System:

1. Limited Access to Private Schools. Only 32% of North Dakotan families have access to private schools, meaning that the majority of our residents would not benefit from the proposed voucher system. By diverting public funds to private institutions, we would be disproportionately benefiting a small segment of the population while leaving the vast majority of North Dakota families without equal opportunities.

2. Inequities in Homeschooling vs. Public Schooling. Homeschooling doesn't have the same standards public schooling currently institutes, and even with the proposed changes, massive inequities will still exist. By diverting funds to homeschooling, we are financially hindering our public dollars to support students who aren't involved in the public process.

3. Draining Resources from Public Schools. Our public schools are already facing significant challenges, including underfunding, overcrowding, and insufficient resources. Taking money away from these institutions would only expound the issues we face, further draining the resources from where they are most needed. Instead of improving educational opportunities, a voucher system would only exacerbate the crisis in our public schools.

4. Worsening the Educational Crisis. North Dakota's public schools are integral to ensuring that EVERY child receives a quality education. Diverting public funding to private schools that do not serve all students will only deepen the inequities in our education system. Private institutions are not held to the same accountability standards as public schools, which risks further undermining educational outcomes for all students, particularly those from underserved communities.

In conclusion, I respectfully urge you to reject the proposal of school vouchers in North Dakota in ALL of its iterations. Public dollars must be protected and stay in the public sector.

Best regards,

Dave Berger, School Board President
District 1 (Grand Forks Public Schools)
Mobile: 218.779.9872
Email: dberger100@mygfschools.org

Chairman Heinert and members of the House Education Committee:

I'm writing in support of HB 1540 and school choice efforts in North Dakota.

My husband and I are homeowners in Minot. We have five children; four are school-age and enrolled full-time at Our Redeemer's Christian School. This is our fifth year sending our kids to private school, where they're able to receive a biblically based education—a choice that has been wonderful, both for our children and for our family. This choice comes at significant financial cost for our family, and we sacrifice to make it possible.

Every North Dakota family deserves the option of making this choice—without financial concerns preventing it—because education is not one-size-fits-all.

School choice has taken off in the United States in recent years, in the form of ESAs, voucher systems, and other bipartisan efforts in multiple states. It's time for North Dakota to join the movement and stop leaving our families behind.

State dollars currently only benefit the public school system—those dollars **should** be benefitting the students they represent. Let taxpayer money follow the students, at the discretion of their families. Granting families access to an ESA—whatever it ultimately looks like—supports the kind of freedom North Dakotans deserve and will only stand to improve the educational landscape in the state by creating more competition and diversified options.

President Trump has signaled he is strongly in favor of options like HB 1540 with his Executive Order last week—a move that should make funding a movement like this even easier for our state.

Two years ago, the Legislature passed a bipartisan school choice bill that was ultimately vetoed by the governor. He suggested the bill was not strong enough; it's time to go all-in on giving North Dakotans a solid school choice option we all can stand behind.

Opponents of school choice initiatives like to say "public dollars should not fund private schools"—and you'd be hard pressed to find anyone who disagrees. But HB 1540 (and its similar Senate counterpart, SB 2303) does not propose to do that at all. This bill makes possible a much more sensible argument: "public dollars should fund *North Dakota students*." How parents determine that might best be achieved for their children is the kind of freedom North Dakotans deserve.

Please support school choice—and what's more, students and families—in North Dakota and mark HB 1540 as do-pass.

Respectfully,
Carolyn Moore
Minot, ND

Testimony in Opposition to HB1540

Submitted by Sandy Hansen, resident of Barnes County, ND

I would like to encourage the committee to give this bill a "Do Not Pass" recommendation. More studies need to be done to determine the effect on the state's budgeting for education and how this could benefit some to the detriment of others.

Public funds that are used to send kids to private schools are vouchers, not 'education savings accounts (ESA).' A recent poll from North Dakota United found that 68% of North Dakota citizens do not want their taxpayer dollars paying for private school tuition. Lower-income families, students receiving special education services and students in need of extracurricular or specialized programs would be disproportionately impacted by an ESA program.

We are a rural state with limited funds available for our public schools. Re-routing public tax dollars needed for those unable to afford private education to non-public education seems a misuse of those funds without further investigation of consequences. Our public dollars would be better used on supporting our public schools and their staff.

PLEASE VOTE NO ON HB1540. Thank you.

Testimony on House Bill 1540
Presented by Shane Goettle on Behalf of the State Association of Nonpublic Schools
February 5, 2025

HB 1540

My name is Shane Goettle, and I am here today representing the State Association of Nonpublic Schools. I appreciate the opportunity to provide testimony in support of House Bill 1540, a bill that takes a significant step toward ensuring educational opportunity and equity for all North Dakota students.

This legislation establishes an education savings account (ESA) program, providing families with greater flexibility in choosing the best educational environment for their children. The ESA model empowers parents by offering financial support that can be directed toward tuition, educational services, and other qualified expenses. This approach is not only consistent with national trends but aligns with North Dakota's long-standing commitment to parental rights and educational excellence.

Strengthening Educational Choice and Parental Rights

As we consider the future of education in North Dakota, HB 1540 represents a meaningful and necessary advancement in how we support students and families. It recognizes that while public schools serve many students well, there are circumstances where alternative educational pathways—whether through private institutions, homeschooling, or specialized services—better meet individual learning needs.

The constitutional framework of our state provides the legislature with the authority to develop policies that enhance educational access beyond the traditional public school system. HB 1540 does exactly that. By directing state resources toward student-centered funding, the bill ensures that parents, not bureaucratic systems, are the ultimate decision-makers in their child's education.

Constitutional Argument for Funding Choice in Education

The opponents of funding for choice in education frequently invoke North Dakota's constitutional provisions to argue against funding for nonpublic schools. However, these arguments are legally outdated and no longer hold merit.

- **Full Context of Article VIII of the North Dakota Constitution:**
    - **Section 1:** Establishes the requirement for a system of public, emphasizing the importance of public education as a foundation for democracy.
    - **Section 2:** Mandates a uniform system of free public schools, extending through higher education, but explicitly allows for tuition, fees, and service charges to assist in financing higher education.

- **Section 3:** Requires that all schools provide instruction on civic virtues such as truthfulness, public spirit, and respect for labor.
- **Section 4:** Grants the legislature broad authority beyond public schools, stating that it must take additional steps to prevent illiteracy, ensure uniformity in education, and promote industrial, scientific, and agricultural improvements.
- **Section 5:** Limits funding raised specifically for public schools from being allocated to sectarian schools but does not apply to general state funding.

- **Section 4 and Its Legislative Authority Beyond Public Schools:**

  - Sections 1, 2, and 3 focus exclusively on public education, specifically the establishment, maintenance, and governance of the public school system, ensuring free public education and directing state resources toward public schools.
  - However, Section 4 shifts the focus from public schools alone to broader educational responsibilities, instructing the legislature to take any necessary steps to improve literacy, standardize education, and support scientific, industrial, and agricultural progress.
  - This section does not limit legislative action to public schools alone but rather affirms the Legislature's responsibility to improve education as a whole, including through nonpublic schools.
  - This section grants the legislature the authority to promote education broadly, including funding initiatives beyond public schools, such as parental choice programs, nonpublic school support, and specialized learning initiatives.
  - By authorizing the legislature to address educational needs beyond the strict confines of the public school system, Section 4 provides clear constitutional justification for policies like the Bill you have before you.

- **Article VIII, Section 5, and the Limits of Its Application:**

  - This section states that *"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."*
  - However, it is critical to recognize that this applies only to funds specifically raised for public schools, such as local property taxes and state-allocated funds ("school lands") earmarked for public education.
  - General state funds, such as the general fund, strategic investment and improvement funds, or legacy fund earnings, are not subject to this restriction and may be lawfully allocated to support parental choice initiatives.

- **Legal Precedents Supporting the Constitutionality of Parental Choice:**

  - The language prohibiting certain public funds from finding their way to a "sectarian school" has has it origin in the series of "Blaine Amendments" which were state constitutional language required of several states who entered the Union in the late 1800s.
  - The federal Blaine Amendment, a late 19th-century provision, was introduced as an effort to prohibit public funds from being used for religious education. Though

this attempt at a federal constitutional amendment failed, many states, including North Dakota, incorporated similar provisions into their constitutions. These provisions were largely driven by religious discrimination rather than neutral funding policies. Over time, legal challenges have significantly weakened the enforceability of these amendments.

- The U.S. Supreme Court has ruled that excluding religious schools from generally available public benefits violates the Free Exercise Clause of the First Amendment.
- *Espinoza v. Montana Department of Revenue* (2020): The U.S. Supreme Court ruled that a state cannot exclude religious schools from generally available public benefits simply because they are religious in nature. Montana's attempt to prohibit religious schools from receiving funds under a tax credit scholarship program was deemed unconstitutional under the Free Exercise Clause of the First Amendment.
- Carson v. Makin (2022): The Court expanded on *Espinoza*, ruling that if a state provides a public benefit program that includes private education options, it cannot prohibit funds from being used for religious schools solely based on their religious identity.
- *Pierce v. Society of Sisters* (1925): This landmark case affirmed that parents, not the state, have the fundamental right to direct the education of their children, reinforcing the validity of school choice initiatives.
- **North Dakota Attorney General's Opinion 2022-L-07** made it clear that the Blaine Amendment language in the North Dakota's constitution is unenforceable under federal law. The opinion affirmed that state policies must align with U.S. Supreme Court rulings, which have struck down state attempts to exclude religious schools from generally available public benefits. While the opinion addressed teacher support grants, its broader legal implication is that state restrictions based on religious affiliation cannot be upheld where they contradict federal constitutional protections.

Accountability of Nonpublic Schools

Another concern often raised regarding choice in education is whether nonpublic schools operate without sufficient oversight. This is simply not true.

- **North Dakota has some of the strictest nonpublic school regulations in the country**:
  - North Dakota is one of only two states in the nation where nonpublic schools must meet approval requirements identical to public schools.
  - It is the only state that requires all nonpublic schoolteachers to be state-certified, ensuring that students receive high-quality instruction.
  - ***SOURCE****: See attached "Regulation of Nonpublic Schools" and "How does North Dakota rank in its treatment of nonpublic schools?"*

- **Nonpublic schools must adhere to extensive state regulations**, including:
  - Approval by the North Dakota Department of Public Instruction to operate any elementary or secondary nonpublic school. *N.D. Cent. Code §15.1-06-06.*
  - Mandatory teacher certification. N.D. Cent. Code §15.1-18-07, -08, & -09.

    - Same length of school year and days. *N.D. Cent. Code §15.1-06-04 (sections 3 and 6).*
    - Meet state curriculum standards. *N.D. Cent. Code §§15.1-21-01 & -02, 15.1-21-02, §15.1-21-24*
    - Compliance with health and safety codes applicable to all educational institutions. *N.D. Cent. Code §§15.1-06-10, 23-07-16, 15.1-06-12, 15.1-18.2-04, 15.1-19-22.3.*

- **Nonpublic schools are directly accountable to parents**. Unlike public schools, which assign students based on geography, nonpublic schools must continuously earn parental trust and enrollment through academic quality, transparency, and student success.

Conclusion

HB 1540 is a forward-thinking piece of legislation that builds on North Dakota's commitment to educational opportunity, parental rights, and student success. By establishing education savings accounts, this bill expands access, empowers families, and strengthens educational outcomes across the state**.**

I urge the committee to support the idea of ESAs, recognizing its constitutional foundation, legal soundness, and its role in fostering a more dynamic and student-centered education system in North Dakota.

Thank you for your time and consideration.

Regulation of Nonpublic Schools

Eight States Require All Nonpublic Schools to be Approved by the State

Maine
Maryland
Massachusetts
Michigan
New Hampshire
North Dakota
Rhode Island
Washington

In Only Two of those States are the Approval Requirements for Nonpublic Schools Identical to the Requirements for Public Schools

Massachusetts
North Dakota

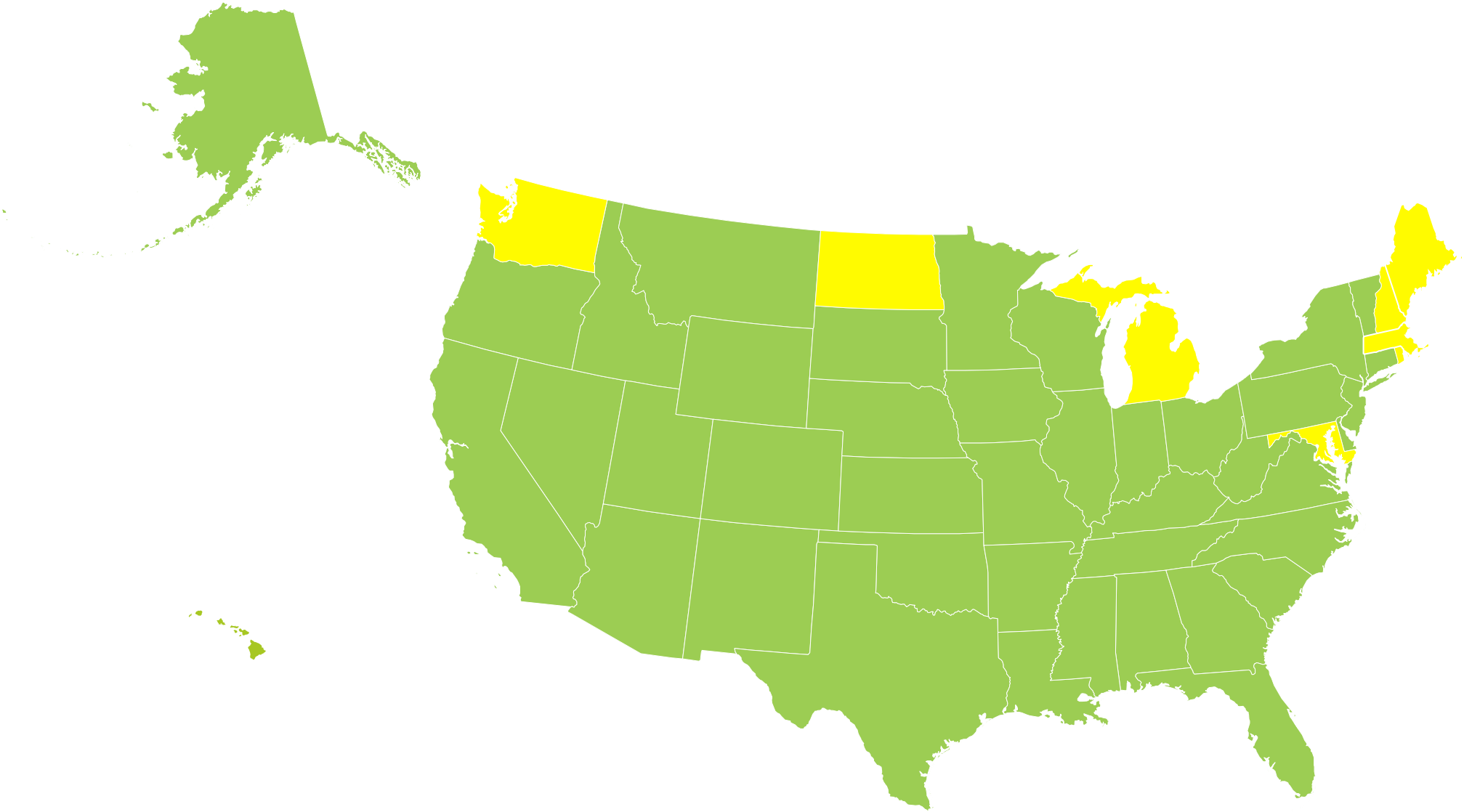
Only one of those Two States Requires Nonpublic School Teachers to be Licensed by the State

North Dakota

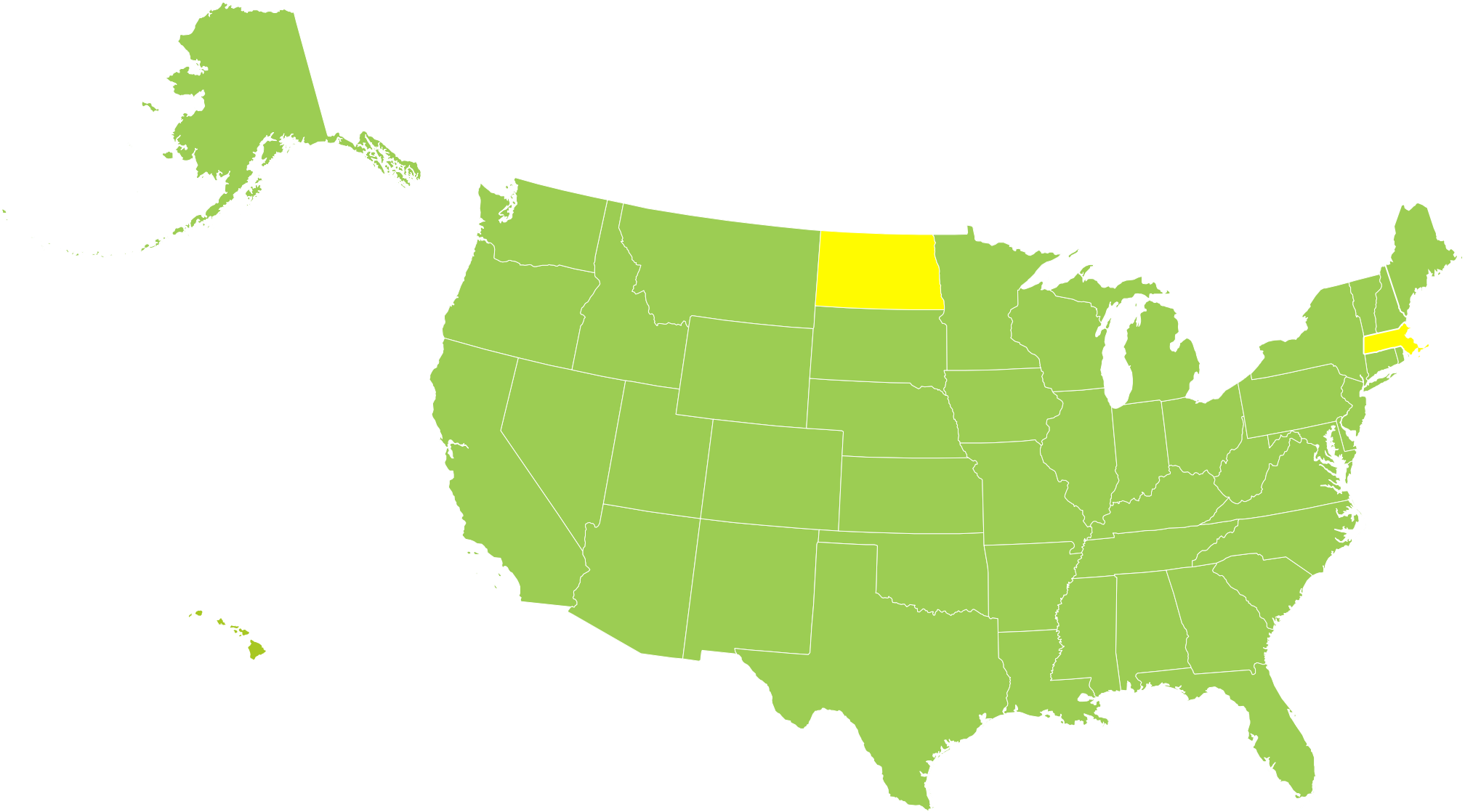
This leaves North Dakota as the only state in the nation that mandates both state approval for nonpublic schools identical to that for public schools and state licensed teachers in nonpublic schools.

SOURCES: STATE REGULATION OF PRIVATE AND HOME SCHOOLS, U.S. DEPARTMENT OF EDUCATION, 2025; SPECIFIC STATE LAWS.

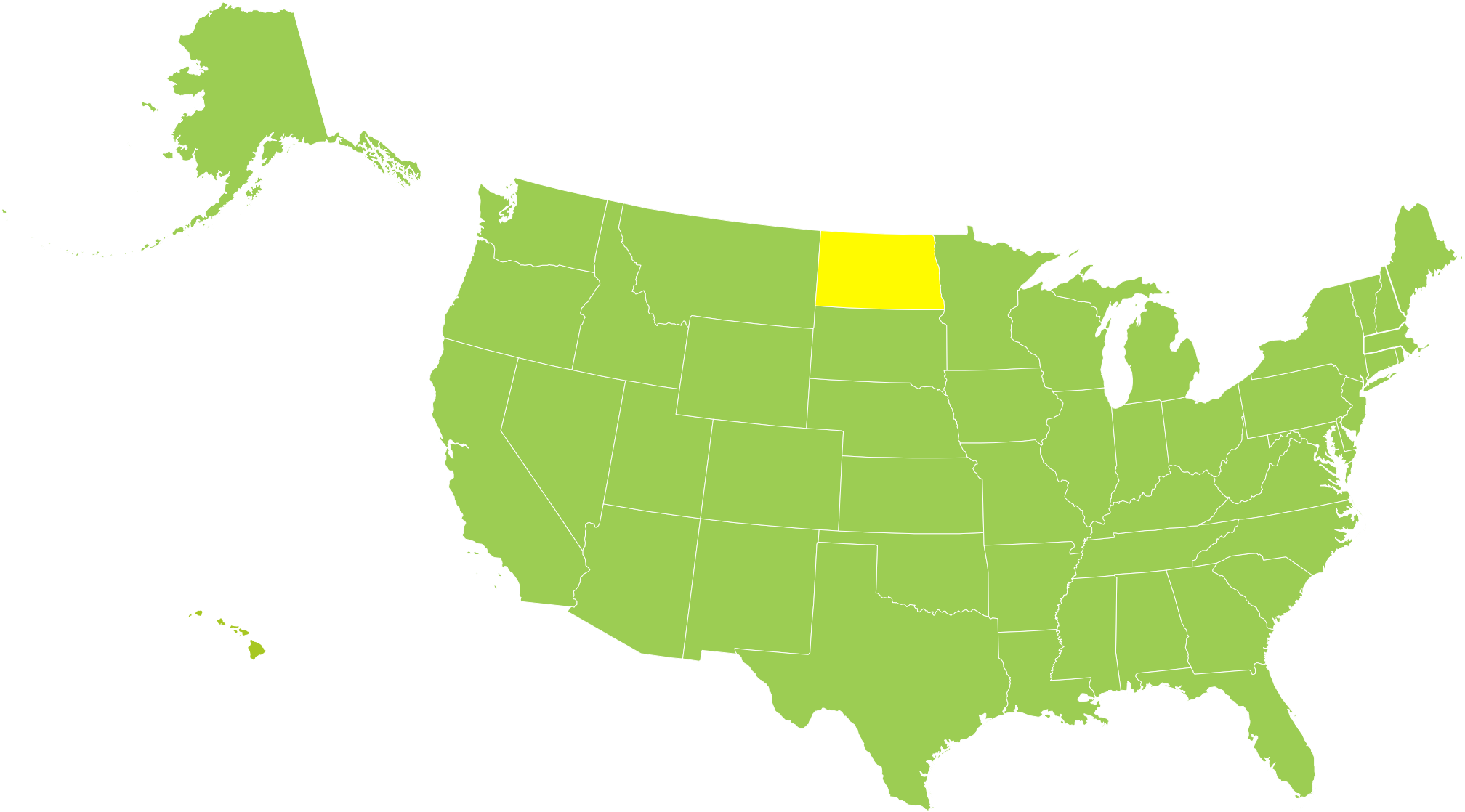
How does North Dakota rank in its treatment of nonpublic schools?



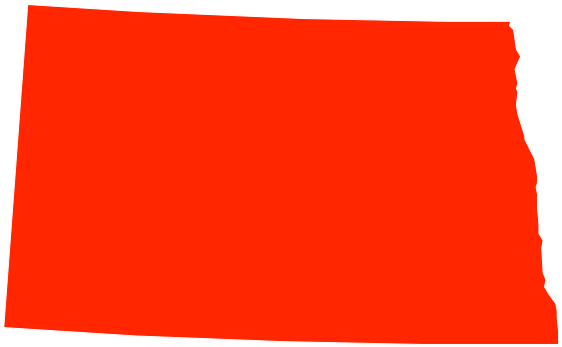
Only eight states require state approval of all nonpublic schools.



In only two of those states are the approval requirements identical to public schools.



Of those two states, only one requires classes to be taught by certified teachers.



This leaves North Dakota as the only state that mandates both state approval identical to public schools and state certified teachers.

Sources: State Regulation of Private and Home Schools, U.S. Department of Education, 2025; specific state laws.

To members of the House Education committee:

I am a public school teacher in Minot, North Dakota. I have been in education for over 15 years, having taught in North Dakota for 12 years. I have taught in class B schools in western North Dakota and currently in Minot for several years. I have taught both special education and in general education.

I share this information because this particular bill, if passed, would have a devastating impact on schools, both urban and rural. It would take public money and divert it to families for various educational needs or wants, including private tuition. A large majority of families who attend private schools already have money to attend that school. Those schools are not subject to the same criteria and accountability that public schools are. If they were and they had to accept any and all students who applied, it would be a different conversation. However, this bill does not address that fact.

Typically, any change in funding public education hits rural schools harder than urban schools. Taking money out of the general fund would create a scenario in which the Legislature would have to use even more money in order to cover those costs and the local and county municipalities would have to raise property taxes in order to simply provide that essential service of education.

So, I strongly oppose this bill and ANY bill which attempts to use public funds for private schools. Private schools have their own accountability systems, to their credit, but do not have to educate all children. They are not held to the same standard of education or the same standards of transparency that a public school is and thus should not get public dollars.

To: Senate Education Committee Members

From: Scott R. Jensen

Senior Advisor to the American Federation for Children

Re: Support for HB 1540

Date: February 4, 2025

On behalf of the American Federation for Children, the nation's largest school choice organization, I would like to express our support for HB 1540 which would create an Education Savings Account program in North Dakota.

As all parents and teachers know, even children in the same family can have very different learning styles. That is why we believe the children of North Dakota deserve a wide variety of publicly funded educational opportunities. Unfortunately, North Dakota is one of three states without public charter schools or private school choice.

HB 1540 is a well-designed bill that includes a number of strong features that would ensure its success. The legislation incorporates features drawn from national model legislation that are tailored to meet the needs of students in North Dakota. I would like to highlight three of these features: 1) the bill provides parents with a robust ESA amount and a broad menu of approved items from which they may customize their child's education to meet their needs; 2) the bill includes strong academic and financial accountability measures including the requirement that participants take either the state test or a nationally norm-referenced exam; and 3) the bill contains protections for the autonomy of private schools and parents to direct the education of their students.

I would also like to note that the fiscal analysis of this bill makes an assumption that does not reflect the experiences of other states with private school choice programs. The fiscal analysis assumes that 100% of the eligible students presently in private schools or home schools will take advantage of the ESA program in Year 1. This has never happened in the 35 year history of the modern school choice movement – not even close. If the Committee members or other legislators would like information on the actual take up rates for existing private school students and home school students, we would be happy to provide that information from states where it is available.

The children of North Dakota should be given the choices available to students in majority of states in the union. Please pass HB 1540.

Members of the Committee,

My name is Johnna Varty, and I am honored to submit this testimony in support of House Bill 1540. As a former public school teacher and a mother whose children attend a private school, I have seen firsthand the importance of ensuring that every child has access to the best educational opportunities suited to their unique needs. I believe that parents should have the ability to choose the right educational environment for their children, whether that be a public, private, homeschool, or other alternative setting.

For many families, however, the ability to make these choices is often hindered by financial and logistical obstacles. While every child learns differently, and some thrive in non-public school settings, the reality is that many parents are unable to afford tuition, supplies, or other necessary resources that would allow them to pursue the best education for their children. This forces many families to settle for options that may not fully meet their child's academic, social, or developmental needs simply because they lack the financial means to choose otherwise.

House Bill 1540 would help address these barriers by establishing an Education Savings Account (ESA) program, giving families the financial flexibility to select the educational setting that best supports their child's success. By allowing state-allocated funds to follow the student rather than being tied exclusively to the public school system, ESAs empower parents to make decisions that prioritize their child's education. These accounts could be used for tuition, educational therapies, curriculum materials, and other essential learning resources—ultimately providing greater access to high-quality education and ensuring that children are placed in the environments where they will thrive.

Education is not one-size-fits-all, and families should not be restricted in their ability to choose the best path for their children due to financial constraints. House Bill 1540 would provide parents with the opportunity to make meaningful educational choices, ensuring that every child has the chance to reach their fullest potential.

I respectfully urge you to support this bill and help provide families with the freedom to pursue the best possible education for their children.

Thank you for your time and consideration.

Johnna Varty

Testimony in opposition to HB1540:

Dear members of the House Education committee:

Here is yet another attempt to create a system of education savings accounts, and as incompatible with Article VIII Section 5 as all the others, and just as likely to squeeze the life out of our public school system, which is already suffering from inadequate funding. Please vote a DO NOT PASS on HB1540. Thank you for your consideration.

James B. and Sharon E. Buhr
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House Education Committee
HB 1540 - Testimony in Opposition
February 4, 2025

Members of the Committee,

My name is Shannon Krueger and I am writing in opposition of SB 2295. I have worked in public education for nearly twenty years and have seen the effects of inadequate funding in every school I have had the privilege to work in. Whether it's a dying heating system, a building without enough classrooms, a shortage of supplies, or cuts to staffing, our communities' educational needs are never fully met. Public education needs every bit of funding available. Any amount diverted to private education is an increased shortage to an already strapped system.

I urge you to please vote NO on HB 1540.

Thank you.

North Dakota House Education Committee
North Dakota Legislative Assembly
600 East Boulevard Avenue
Bismarck, ND 58505

02/05/2025
Subject: In Opposition of Using Public Dollars for Private Education

Dear Members of the House Education Committee,

I am writing to express my strong opposition to HB 1607, HB 1590, SB 2400, and HB 1540, all of which propose the allocation of public funds to private education. As a North Dakota resident and advocate for equitable education, I urge you to consider the significant consequences these bills would have on our public school system and rural communities.

Public schools are the backbone of our education system, serving all students regardless of socioeconomic status, academic ability, diagnoses, or geographic location. Diverting public funds to private institutions undermines the very purpose of public education by redirecting critical resources away from schools that are already underfunded and facing challenges in staffing, programming, and infrastructure.

Additionally, the majority of North Dakota's rural communities do not have access to private schools. If public funds are directed toward private education, families in these areas will receive no benefit while still contributing tax dollars to a system they cannot access. This creates a clear inequity, favoring urban and more affluent populations at the expense of rural students. Public funds should serve the public good, ensuring that every child, regardless of where they live, receives a high-quality education.

Furthermore, private schools are not subject to the same accountability measures as public schools. They are not required to accept all students, including those with disabilities, behavioral challenges, or English language learners. Public dollars should not support institutions that have the ability to exclude students based on their own selective criteria.

I urge you to uphold the integrity of North Dakota's public education system by opposing HB 1607, HB 1590, SB 2400, and HB 1540. Our state's priority should be strengthening public schools so that every child, in every community, has access to a well-funded, high-quality education.

Thank you for your time and consideration.

Sincerely,

Jessica Nolz
Special Education Teacher

Members of the House Education Committee,

I write to express my strong **opposition** to House Bill 1540. As a lifelong North Dakotan and dedicated public school librarian who has served in our state's education system for a decade, I am deeply concerned that this bill will undermine our public schools by diverting essential funding away from them and directing it toward private and nonpublic education options.

House Bill 1540 is, in essence, a voucher program that reallocates taxpayer dollars from public schools to private institutions. By allowing families to use state education funds for private school tuition, homeschooling materials, online learning programs, and other nonpublic educational expenses, this bill reduces the financial resources available to our public schools. Public education is the cornerstone of our democracy, and the redirection of funds through an ESA program weakens our ability to provide quality education to every child, regardless of their socioeconomic status.

The bill stipulates that 80% of the per-pupil state aid for a student enrolled in the ESA program would be transferred from their public school district to a private or alternative educational provider. While the remaining 20% remains with the public school district, this reduction in funding does not correlate with a proportional decrease in costs. Public schools must still maintain facilities, transportation, support services, and qualified staff, all while serving the vast majority of North Dakota's students. This financial strain disproportionately affects rural and lower-income districts, where public schools are often the only viable educational option for families.

Furthermore, private schools and other nonpublic education providers participating in the ESA program are not subject to the same level of oversight, transparency, and accountability as public schools. House Bill 1540 explicitly states that participating private schools and education service providers will remain autonomous, exempt from state regulations beyond those outlined in the bill. This lack of accountability raises serious concerns about the use of public funds, the quality of education provided, and the equitable treatment of students, particularly those with disabilities and special needs.

The bill also fails to guarantee that ESA funds will benefit all students equitably. Families with greater financial means are more likely to supplement ESA funds to cover the full cost of private tuition, while lower-income families may find the funds insufficient to access high-quality alternatives. This creates a system where public money disproportionately benefits those who already have greater access to educational opportunities, rather than supporting the vast majority of students who rely on public education.

Instead of diverting funds to an ESA program, we should focus on strengthening our public schools by increasing investments in teacher salaries, classroom resources, technology, mental health services, and student support programs. North Dakota's public schools serve as a vital foundation for our communities, and any policy that redirects public funds to private institutions undermines this foundation.

For these reasons, I urge you to **oppose** House Bill 1540 and reaffirm your commitment to fully funding and supporting North Dakota's public schools. Our state's children

deserve a strong, well-resourced public education system that serves all students equitably, not a program that siphons funds away to benefit a select few.

Respectfully,

Jessica Smette

North Dakota School Librarian

Hello House Education Committee,

My name is Michaela Larson. I live in District 8 and I am a parent who has chosen to enroll my children in Christ the King Catholic School.

I support all school choice bills that support parent autonomy and the right to provide an education for my child.

I urge you to vote in favor of HB 1540.

Thank you for your service to the state of North Dakota and your time on HB 1540.

Thank you,

Michaela Larson

Milnor Public School District No. 2

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Milnor, North Dakota 58060-0369
Phone: 701-427-5237 | Fax: 701-427-5304
www.milnor.k12.nd.us

Chris Larson, Superintendent and Activities Director
Ryan Weber, High School Principal
Theresa Wittich, Elementary Principal

Testimony in Opposition to HB 1540

Presented by: Dr. Larson
Superintendent, Milnor Public School
Member, Legislative Focus Group – North Dakota Council of Educational Leaders (NDCEL)

Chair Heinert, members of the committee, my name is Dr. Chris Larson, and I serve as the Superintendent of Milnor Public School. I am also a member of the Legislative Focus Group for the North Dakota Council of Educational Leaders (NDCEL). I appreciate the opportunity to testify in **opposition** to HB 1540.

Constitutional Violations

The North Dakota Constitution is clear:

- **Article VIII, Section 5**: *"No money raised for the support of public schools shall be appropriated or used for the support of any sectarian school."*
- **Article X, Section 18**: *"Neither the state nor any political subdivision thereof shall make any direct or indirect appropriation or payment from any public fund ... in aid of any sectarian school, or for any other sectarian purpose."*

By allowing public funds to be used for private school tuition, HB 1540 violates these constitutional provisions. While families should have educational choices, **taxpayer dollars should not be used to subsidize private or religious institutions**. This bill opens the state to potential **legal challenges**, creating **financial and operational instability** for North Dakota's education system.

Public Schools Serve All Students—Funding Must Reflect This Priority

North Dakota's **public schools educate over 90% of the state's students**, providing essential services such as:

- **Special education** for students with disabilities
- **Student transportation** to ensure equitable access
- **Mental health support and school counseling**
- **Career and technical education (CTE) programs** that build our workforce

Private schools and homeschool programs are **not required to serve all students**, yet this bill directs public dollars toward these alternatives **without requiring the same level of accountability**.

Public schools have **fixed costs** that do not disappear when students leave for private institutions. Reducing their funding while still expecting them to serve the most vulnerable students **jeopardizes the stability and quality of public education**.

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Ryan Weber, High School Principal
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Public Funds Require Public Accountability

HB 1540 raises **serious concerns about accountability** and **state oversight** of taxpayer dollars.

1. **Public Schools Are State-Regulated; Private Schools Are Not**
   - North Dakota's public schools must **meet state curriculum standards, participate in standardized testing, provide special education services, and undergo financial audits.**
   - Private schools **do not have to follow these same requirements**, yet HB 1540 **allocates taxpayer dollars to them without enforcing the same level of transparency.**
   - If private schools **accept public money, they should be subject to the same public accountability measures.**
2. **The State Should Not Fund What It Cannot Oversee**
   - If the state provides funding to private institutions, it **must** ensure those schools meet the same standards for **financial accountability, curriculum oversight, and student performance.**
   - HB 1540 **lacks any provisions for state oversight of private institutions receiving public funds**, which means tax dollars could be spent without any **guarantee of quality education or fiscal responsibility.**
3. **This Bill Creates a Double Standard**
   - Public schools are held to **strict financial and academic accountability measures** because they serve all students.
   - HB 1540 **creates an inequitable system** where private schools receive public money **without being required to meet the same standards.**
   - If private schools are allowed to operate **without state control, they should not receive state funding.**

The Precedent Problem: Unintended Consequences of Funding Religious Schools

A particularly concerning aspect of HB 1540 is its **long-term implications** for how public funds could be used to support religious education in North Dakota.

1. **State Support for Private Schools Must Be Neutral and Equitable**
   - If the state funds private religious schools, it must **do so without favoring one faith over another.**
   - HB 1540 **sets a precedent**—if public dollars can be used for private Christian schools today, they could just as easily be used for **schools affiliated with any other religion in the future.**
2. **This Bill Opens the Door to Unintended Consequences**
   - If passed, HB 1540 **could require the state to fund private schools of all religious backgrounds, including those that may not align with the values of the legislature or the general public.**

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- **Would the legislature be comfortable funding schools affiliated with non-traditional or controversial belief systems?**
- Once public funds are allocated to **private** religious institutions, the **state cannot discriminate** in how those funds are distributed.

3. **Potential Legal and Constitutional Challenges**
   - Funding **only** certain religious schools while denying others could lead to **legal challenges on the grounds of religious discrimination.**
   - Courts have ruled that **if a state provides public funds to religious schools, it cannot exclude any religion without violating First Amendment protections.**
   - This could **force** the legislature to fund schools it may not intend to support.

Conclusion: Public Dollars Belong in Public Schools

Public education is the **foundation of North Dakota's workforce and economy**. The students in our public schools today will be the teachers, nurses, engineers, and business leaders of tomorrow.

Rather than diverting public funds toward private schools, the state should:

- **Fully fund public schools** to ensure all students have access to a high-quality education.
- **Expand career and technical education (CTE) programs** to prepare students for high-demand jobs.
- **Increase mental health services** to support student well-being.

If the state **cannot regulate, audit, or mandate accountability in private education, then it should not be funding it.**

Furthermore, HB 1540 **sets a dangerous precedent** that could lead to **unintended consequences regarding which private institutions receive public funding**. This bill, if enacted, could force the state to provide funding for schools it may not have intended to support—raising significant legal and constitutional concerns.

For these reasons, I strongly urge this committee to **reject HB 1540 in its current form** or **remove the private school tuition reimbursement provision** to align it with the North Dakota Constitution.

Respectfully submitted,

Dr. Chris Larson
Superintendent
Milnor Public School

Hello,

I am writing to urge you to oppose the following six bills that propose using public dollars to fund private schools:
- HB 1540
- HB 1590
- HB 1607
- SB 2295
- SB 2303
- SB 2400

Regardless of how these bills are labeled—whether as education savings accounts, scholarship programs, or otherwise—if they divert public funds to private schools, they essentially function as vouchers.

I have spent ten years teaching in both public and private K-12 schools in Devils Lake, ND. The disparity between what public and private schools offer is significant. Public schools accept every student, ensuring that every child has access to education. This inclusivity demands a broad range of services and the ability to meet diverse needs, which, in turn, requires adequate funding.

I was proud to work at a private school in Devils Lake that went to great lengths to accommodate all students, providing necessary services without discrimination. However, the critical difference was that this private school has strong financial stakeholders and tuition fees to support these additional costs.

I want to emphasize that my stance is not to vilify private schools or the families who choose them. I believe our tax dollars should remain within the public education system. Having firsthand experience, I am acutely aware of the struggles classroom teachers face to provide even the bare minimum for their students. Public schools are not seeking extravagant raises, new buildings, or top-tier resources. What they are requesting, and what I am advocating for, is that tax dollars allocated for education should stay within public schools.

Finally, the majority of school districts in our state do not have access to private schools. From my observations, it is primarily our larger communities that benefit from private education options. These larger communities also enjoy a more substantial tax base, resulting in higher tax revenues for their schools. Diverting public funds to private schools would not only deprive our rural public schools of essential resources but also fail to benefit rural families who lack access to private education options.

Please oppose these six “voucher” bills and fight to keep public funds in the incredible public schools throughout North Dakota.

Catherine Benton

620 28th Ave S
Grand Forks ND 58201
701.412.7917

Testimony of Jeannie Nasers

Before the North Dakota Senate Education Committee on HB 1540

SUPPORT

February 5, 2025

Thank you, Chairman Heinert, and members of the House Education Committee for providing the opportunity to submit written testimony in support of HB 1540. My name is Jeannie Nasers. I live in District 34, and I am a product of Catholic school education and a parent who has chosen to enroll my four children in Christ the King Catholic Montessori School.

I strongly support HB 1540, as well as any legislation that upholds parents' right to direct their child's education. Every child deserves an education that meets their unique needs, nurtures their dignity, and reinforces the values instilled at home. My family currently makes significant financial sacrifices so that our children can attend a private school, and while we believe the investment is worth it, the assistance provided by SB 2303 would greatly ease this burden. More importantly, it would allow more families the opportunity to choose the best educational environment for their children, regardless of financial means.

As both a former student and now a parent, I have personally experienced the profound impact of a faith-based education. Growing up, my Catholic school provided more than just academic instruction—it offered a community that fostered character, independence, and a deep sense of self-worth. As a child with a learning disability, I was not just another student; I was surrounded by teachers who saw my potential and classmates who shared a commitment to virtue and personal growth. Now, I want my children to experience that same kind of nurturing environment—one where faith and education are seamlessly integrated, where they hear at school the same truths we teach at home: that they are valuable, that they matter, and that they have a responsibility to serve others.

HB 1540 would ensure that families **who are already contributing tax dollars to education** have the ability to direct a portion of those funds toward the schooling option that best serves their children. This bill would relieve a financial strain on many families while empowering them to make the best educational choices for their children. I urge you to vote in favor of HB 1540 so that all parents, regardless of income, have the ability to choose the educational path that best fits their child's needs. Thank you for your service to North Dakota and for your time on this important matter.

Thank you for your service to the state of North Dakota and for your time in considering HB 1540.

Sincerely,

Jeannie Nasers

GRAND FORKS PUBLIC SCHOOLS
Growing together to enrich the world.

Brandon Baumbach
Business Manager

Department Phone: 701.787.4885
Direct Phone: 701.746.2205, Ext. 7126
Fax: 701.772.7739
bbaumbach020@mygfschools.org

Representatives,

I am writing to express my strong opposition to the proposed Educational Savings Account (ESA) program. As a K-12 school administrator, I have serious concerns about the long-term impact such a program would have on public education, student equity, and the responsible stewardship of taxpayer dollars.

Public schools are the backbone of our communities, serving all students regardless of ability, background, or socioeconomic status. ESA programs divert critical funding away from public schools, weakening our ability to provide high-quality education, maintain facilities, retain highly qualified teachers, and offer essential student services. Public schools are already underfunded, and further reductions in funding will only exacerbate disparities and hinder student achievement.

Unlike public schools, which are held to rigorous academic and financial accountability standards, private institutions and other education service providers that benefit from ESAs often operate with minimal oversight. This lack of accountability raises serious concerns about the effectiveness and appropriate use of taxpayer dollars. Moreover, there is little evidence to suggest that ESA programs lead to better academic outcomes for students, particularly for those from disadvantaged backgrounds.

Additionally, ESAs do not provide a viable solution for many rural families. In areas with limited private school options, families may find themselves unable to utilize ESA funds effectively, while their local public schools suffer from reduced resources. This creates an inequitable system that disproportionately benefits families in urban areas while neglecting those in rural communities.

I urge you to oppose HB 1540 and instead focus on investing in public education—ensuring all students have access to high-quality teachers, well-equipped classrooms, and the support services they need to succeed. Strengthening our public schools should be our priority, not diverting funds to programs that primarily benefit a select few.

Thank you for your time and consideration. I welcome the opportunity to discuss this matter further and advocate for policies that truly benefit all students.

Grand Forks School District prohibits discrimination and harassment based on race, color, religion, sex, sexual orientation, gender identity, gender expression, national origin, ancestry, disability, age, or other status protected by law. The District also provides equal access to the Boy Scouts and other designated youth groups, as required by federal law.

House Bill 1540
House Education Committee -- Representative Pat D. Heinert, Chair
February 5, 2025
Testimony in Opposition to HB 1540

Chairman Heinert and Members of the House Education Committee, I am Vicki Voldal Rosenau, a parent and resident of Valley City, ND. Thank you for this opportunity to offer my testimony in opposition to House Bill 1540.

I would like to focus my testimony on the principle that undergirds why HB 1540 not only is unconstitutional, but also is opposed by at least 68 percent of North Dakota voters.

The North Dakota public as a whole has covenanted to provide public schools as a public service for everyone, by collectively paying taxes for that express purpose. Obviously, we have covenanted to provide various other important public services, as well. Public roads, public libraries, public parks and public water systems come to mind. In each case, no person or family has the right to demand that we all help to pay for some private "alternative facility," just because they prefer it. Tax dollars for our public roads system do not "follow the taxpayer" who wants to spend "his share" on a separate private road. Allowing that to happen would shatter the public covenant, and it even sounds absurd.

The same holds true for schools. If a person dislikes the public schools that are available to him, he does not have to use them, but he has absolutely no right to demand that everyone else contribute to his purchasing the privilege of using a private school that he has identified—and may even be the owner of.

Furthermore, if an individual deems a public school (or any other public service) to be of inferior quality, it is his civic duty to roll-up-his-sleeves and help the community as a whole to upgrade that service in accordance with the will of the majority. That's local democracy in action, and that's what our wonderful nation was founded upon.

Finally, by destabilizing our excellent public-schools system, HB 1540 would substantively undermine the solid foundation that this legislative body has already established for meeting the specific challenges outlined on Monday by State Supt. Kirsten Baesler when she discussed the Presidential Executive Order. Thanks to the forward-looking legislation enacted by the past two Legislatures, the State of North Dakota has already made great strides (and investments) to provide an array of innovational, even cutting-edge, educational opportunities—**all within our dynamic network of public schools**.

These exciting initiatives are already in place, are producing great results, and must be fully funded and supported in order to provide all the required educational-choice options within the proven "schools within the public schools" model.

Given the urgency of Supt. Baesler's call to action, now is definitely NOT the time to toss out the publicly-funded educational innovations that have just been established in precisely the areas that she targeted. I urge you to recommend "Do Not Pass" on HB 1540.

Thank you for your consideration,
Vicki Voldal Rosenau, Valley City

Hello House Education Committee,

My name is Nick Emmel. I live in District 32 and I am a teacher and parent who has chosen to enroll my children in the Light of Christ Catholic schools.

I support HB 1540, but I am in support of all school choice bills that support parent autonomy and the right to provide an education for my child. I support HB 1540 because I am a teacher and parent who understands that support of private schools and families who enroll students in private schools benefits North Dakota. These students and families love North Dakota and the students of private schools in North Dakota assist our state by providing future educators and citizens who care about our state. These private institutions also teach students to have firm faith and seek the truth in all things.

I urge you to vote in favor of HB 1540. Thank you!

Sincerely,

Dr. Nick Emmel

February 4, 2025

Dear Member of the House Education Committee,

I am a resident of Grand Forks and a parent of two children currently enrolled in Grand Forks Public Schools. I am writing to you today to ask that you give HB1540 a DO NOT PASS recommendation in your committee and vote against this bill.

HB1540 would divert millions of public dollars into private schools. Public dollars are limited and public dollars should not go towards paying for the private school costs of privileged families. Private schools are not held to the same standards and accountability as public schools. Public schools are required to serve all children in our state. Private schools are not required to serve all children and may exclude students for any number of reasons.

If there are millions of public dollars available, they should go to support our public school system, teachers, and students - not a select group of students, families, and education providers who have the extra resources to afford private education. The vast majority of families in our state cannot afford private school tuition and/or do not have access to private school options (especially those in rural communities across the state). As a result, these sorts of schemes will simply exacerbate education inequalities rather than provide a public good that benefits all families of school age children.

In short, this bill is not a good use of public funds. I ask that you give HB1540 a DO NOT PASS recommendation out of committee.

Sincerely,

Liz Legerski
Grand Forks, ND

Testimony in Opposition to House Bill 1540

Chairperson and Members of the Committee…Thank you for the opportunity to testify today. We come in opposition to this bill due to its violation of our state's foundational commitment to public education, its detrimental impact on rural communities, and its misalignment with public sentiment regarding education funding priorities.

Our Founders' Commitment to Public Education

The framers of North Dakota's Constitution made a clear and deliberate choice to prioritize public education as the foundation of our state's future. They obligated us to **fund and strengthen public schools**—not to subsidize private education. Our state's education funds were never intended to support private choices but rather to build a strong, **uniform system of free public education** for every child, in every community.

This principle was deeply rooted in the experiences of many early settlers, who had immigrated to the United States seeking refuge from **religious persecution and sectarian conflicts** in Europe. Yesterday we heard one of the representatives from Bishop Ryan talk about this – he was right – there was a LOT of religious disagreement at the beginning of our state. Much might still exist. Our forefathers understood firsthand the dangers of entangling government with religious institutions and sought to establish an education system that was **free, fair, and accessible to all**, regardless of religious background. The decision to exclusively fund public schools was not merely a financial one—it was a deliberate commitment to **unity, equal opportunity, and the separation of church and state** to ensure education remained a **public good** rather than a tool for division. The decision of whether it is constitutional or not in North Dakota has not yet been debated at our supreme court, however, for years and years, and dozens of votes by your predecessors to keep our educational investment to what our forefathers stated was constitutionally required.

House Bill 1540 disregards this constitutional commitment and sets a dangerous precedent that could erode the very principles upon which our public education system was built.

Preserving Rural Communities and Our Agricultural Leadership

I've been working with the legislature since 2011 when I was at the NDUS office. Every session there have been attempts at funding private schools and every session the body has voted no. Why? I believe there are multiple reasons, but one big one is because public schools are the heart of **North Dakota's rural communities**. They are not just places of learning but serve as hubs of civic engagement, economic stability, and community growth. Our **agricultural sector**, which plays a **leading role on the world stage**, depends on strong rural schools to educate the next generation of farmers, agribusiness leaders, and skilled workers. Diverting public funds away from these schools weakens the backbone of our **rural economy** and undermines our position as a global agricultural leader.

Rural school districts already face financial challenges, including declining enrollments and high operational costs. House Bill 1540 would only **exacerbate these struggles. Every state that has gone down this route has eventually seen a decline in public school funding. I'd hate to see this force** rural schools to cut critical programs, consolidate schools, or even close their doors—leaving communities without essential educational services.

Public Sentiment: Prioritizing Property Tax Relief and Free Meals Over Private School Subsidies

North Dakotans have spoken clearly in recent validated non-partisan surveys: the **top funding priorities** should be **property tax relief** and ensuring **free meals for students**, not subsidizing private education. There was strong approval for ESA's but not for having an allowance for private school tuition. Parents and taxpayers alike have expressed strong support for public education and other services funded by tax dollars, yet this bill diverts resources away from those initiatives to **primarily benefit families who are already enrolled in private schools**.

Accountability?

Public schools are accountable for every penny. All the way down to running to Walmart to buy poster board to hang in the classroom. I question if our ND patrons are really ok with spending $243M without that same accountability? I'd venture to say satisfaction would be higher to have that go toward property tax relief or meals for all students. Please consider that popular choice that brings us together rather than what divides us.

Conclusion

House Bill 1540 represents a **fundamental shift away** from our state's constitutional and historical commitment to public education. It threatens our **rural communities**, **diverts funds from our agricultural workforce**, and ignores **public priorities** that call for investment in **property tax relief and free student meals**—not private education subsidies.

For these reasons, I strongly urge the committee to **reject** this bill and instead focus on **fully funding and strengthening North Dakota's public education system**, as our **founders intended and as our citizen's demand**.

Thank you for your time and consideration. I welcome any questions the committee may have.

Hello House Education Committee,

I'm Dora Tschosik, a resident of District 34 and a parent who has chosen to enroll a child in Light of Christ Catholic School.

I firmly support HB 1540 and all school choice bills that uphold parent autonomy and the right to provide an education for my child. I support because it provides my child an environment he wishes to gain an education. We made the switch from public to private school 6 weeks into the current school year. Despite our efforts, the public school system was much too large for him. He was refusing to go to school and at just 10 years old we knew we needed to make a change quickly. We chose a faith-based education in order for him to succeed. He enjoys Light of Christ Catholic School and happily goes each and every day. Some of the reasons he enjoys going are smaller class size, the close connections with teachers and peers, religion, engagement in the classroom and day to day activities/education. I strongly feel if we kept in the public school system, we would've set him up for failure in continuing his education. What works for many isn't always the best fit for every child.

I believe that having school choice/parent choice will positively impact my family. I urge you to vote in favor of HB 1540. Thank you for your service to the state of North Dakota and your time on HB 1540.

Sincerely,
Dora Tschosik

February 3, 2025

My name is Derrick Nagel and I am submitting my testimony in support of educational choice.

I am currently the Head of School at Christ the King Montessori School in Mandan, ND, where I have been for the past 8 years. I am also a parent to 5 children, 3 of whom currently attend Christ the King, a non-public school. Therefore, I am submitting my testimony from the perspective of a Bismarck, ND resident and parent, as well as an administrator in education.

As a parent, it is my primary goal to help my children thrive and ultimately be successful in life. There is no secret that having the ability to choose an educational model that best fits a child's or family's unique needs is one of the ways parents accomplish that very important mission. A diverse education selection in a community offers the best chances for meeting a communities diverse needs as well. Giving more choice to families in North Dakota is good for North Dakota.

As principal of a school with an education model very different from most in the region, I've encountered countless parents looking to transfer their children to Christ the King due to their children not "fitting in" in one way or another. I hear from parents worried about their students with low academic ability looking for a change in mode of education, something that might engage their senses through hands-on work or increase engagement through independence and small group lessons. Adversely, I often hear from parents looking to challenge their children academically, that their students are bored and looking to be filled with content at their own, quick pace. I hear from parents whose children are being picked on and looking for a closer social community that their child can plug into and learn to develop their emotional maturity. Finally, there are many families who choose CTK due to the lack of emphasis on technology.

The educational philosophy of Maria Montessori promotes the freedom of the child. Children are encouraged to do as much as possible for themselves and for their community as appropriate to their stage of development, promoting the child's confidence and self-esteem. Children are invited to learn through encounters with their environment that address all their senses. Embodied learning has many advantages from an academic perspective, but most importantly, living this way promotes mental health and a feeling of being at home in the world. Montessori education also values community. "How ought we to live together?" is just as important a question in the Montessori setting as "Can you name all the continents?" Finally, Children learn to experience their own inner life in Montessori. They learn to give their sustained attention, are given opportunities to be quiet, alone with their thoughts, leading to emotional maturity. It is widely understood that early exposure to technology, whether for entertainment or educational purposes, affects the neurological development of children and renders them less able to name their emotions, give voice to the scripts that run through their heads, or regulate their emotions. While technology has its place within the Montessori environment, it is never the primary mode of learning or interacting with reality. This is very different from many of the mainstream educational models available to ND families. At Christ the King, not only do we take pride in the academic formation we are giving our students who will one day be leaders in our community, we also especially see the extreme importance of educating the whole person.

Though we are a Catholic School, almost half of our enrollment is non-Catholic. Additionally, while located in Mandan, half of our enrollment comes from Bismarck. Others are from Lincoln, Center, St. Anthony, and beyond, with some families traveling over 45 minutes one way to get to our school. To have the option to send my own children to a Montessori School is invaluable to me, and this bill would help many more families

like my own, choose an educational model that might better fit their children. CTK is home to many families that send some or even most of their children to another school, but have one child who they describe as “not fitting the mold”.

Though we do our best at Christ the King to offer additional services to children in need, there are indeed times that we do not have the funds to offer the best solution. Many times, parents choose to send their children anyway, as they feel the Montessori Method has so much to offer and decide to choose to forego the potential extra help they might receive elsewhere. It is commonplace to hear from other Montessori Schools around the United States that their school has become home to a high number of neurodivergent children. Parents do not choose if, or how, their children were created to think, behave, etc. regardless of their income and ability to pay tuition. Having the ability to choose the best fit school, public or nonpublic is something North Dakota needs to support.

I have many friends who are administrators and teachers in the public schools, or who went through the ND public school system themselves and I continue to think we have good public schools. However, one size does not fit all and so though our public school partners might be a safe haven for many students, there are many families who have found a home in nonpublic schools. With educational support in ND, there would be so many more families able to best support their own children by giving more options than just the public school down the block. Giving students what they need will only better our state in the long run, as our children now will be our leaders tomorrow. Are you able to say you helped ALL children reach their full potential? Giving our diverse learners diverse educational options is a guaranteed way to bring about success in our community and state from ALL of our residents.

The number one concern I hear from prospective parents, and a top most frequently visited page on our website is regarding financial assistance. I know there are many families interested in Montessori education that do not have the freedom to pursue it based on their financial state in life. Many other states have already or are progressively seeking change to assist families and students. It is my right as the parent of my children, and as a ND citizen to educate my children how I see best fit.

Please support school choice in ND. Thank you.

Mr. Derrick Nagel
Head of School
Christ the King Catholic Montessori School
Mandan, ND

February 5, 2025

HB 1540 — In favor

North Dakota House of Representatives
Education Committee

Dear Chairman Heinert and Members of the House Education Committee,

My name is Catrin Wigfall, and I am the education policy fellow for American Experiment North Dakota, a state-based public policy organization. I am writing today in support of HB 1540, which allows for the creation of an education savings account (ESA) program in North Dakota.

Throughout my career in education research, I have studied school choice policies and programs across the country to better understand the various models and learning environments that make up our country's education ecosystem. Throughout my K-12 journey, I had the opportunity to experience a variety of these learning environments — private schools, a microschool, home education, a traditional public school, and a virtual school. I attended a four-year liberal arts college for my bachelor's degree and a two-year community college for my teaching license. I taught at a traditional public school and at a public charter school. Each of these education settings brings something parents value within education.

In fact, survey after survey shows that parents care about and value a lot of different aspects of education, and very few schools can excel at all of them, despite efforts to do so. For some families, a quality education is measured by standardized test scores and teacher credentials. Other families rank safety higher. Some families prefer a project-based program or want a Montessori-inspired model, or a classical education approach. Perhaps extracurriculars are important.

Giving parents the power to choose the learning environment that aligns with their principles and values, regardless of socioeconomic status, has brought important diversity to the modern education movement and is encouraging innovative schools and spaces that include a variety of people, perspectives, and pedagogies, all with a united commitment to a more customized approach to education.

With HB 1540, North Dakota families would be able to customize their child's education and specialize it in a way that best sets him or her up for future success. It allows parents to choose from pre-approved educational services, and encourages partnerships between educational service providers. Educators benefit as well, as families can use the ESA to pay for tutoring outside of school hours or special education therapies and services. A national poll of educators conducted by Morning Consult in October 2024 found that the majority of teachers, including district school teachers, support ESAs.

North Dakotans also support ESAs. An October 2023 survey conducted by Arc Insights found overwhelming support for an ESA program in North Dakota across the political and geographic spectra — 72 percent of K-12 parents, 66 percent of Republicans, 64 percent of Independents, 62 percent of Democrats, 67 percent of respondents in urban areas, 64 percent in rural areas, and 62 percent in suburban areas expressed support for an ESA program.

HB 1540 also removes financial barriers that currently prevent students most in need of new opportunities from accessing an alternative learning environment. Students in need of individualized and specialized services don't always have their needs met in a one-size-fits-all approach. For families seeking something different, school

choice policies like HB 1540 have helped them access schools, therapies, and tutoring that better serve their child.

Under HB 1540, a portion of the state funds allocated for a student to be educated in their home district would follow the child to a nonpublic learning environment and/or be available for other pre-approved education expenses. Even though the public school would no longer be responsible for educating the student, and is relieved of the costs associated with educating the student, 20 percent of the allocated dollars for that student would remain at the public school. The public school would also still receive local dollars for fixed overhead costs.

Even when accounting for public schools' fixed costs, there are long-term savings from a policy like an ESA. A November 2024 study by EdChoice's Fiscal Research and Education Center analyzed 48 school choice programs in 25 states and the District of Columbia and found they saved taxpayers between $20 billion and $45 billion since the programs began, or between $3,300 to $7,800 per participating student.

The current fiscal note attached to HB 1540 assumes a 100 percent participation rate of eligible students currently in private schools or homeschools during the first year of the ESA program, which has not happened in the history of the modern school choice movement. An analysis by EdChoice of take-up rates (the number of students participating in the program over the number of students eligible for the program) in 27 school choice programs — 13 of which exclusively serve students with special needs — in 19 states found that even after 10 years, most programs had take-up rates below two percent.

For example, among the statewide choice programs analyzed, Maryland's school choice program experienced the highest take-up in Year 1, with 1.25 percent of eligible students participating. For statewide choice programs in their Year 10, Indiana's choice program had the highest take-up rate at 6.95 percent.

Allowing public dollars to follow an individual to a private institution is not a new concept. Consider, for example, how this plays out in higher education. Through Pell Grants, qualifying students across the country are allowed to use federal taxpayer funds to help pay for tuition at private institutions. Through the GI Bill, military undergraduate and graduate students can use the bill's benefits to help pay for a private college or university, graduate school, or training programs. These students are using taxpayer funds to attend private schools in higher ed, and these two programs operate very similar to K-12 school choice programs. Even outside the education space, public dollars can be used at private institutions: consider food stamps programs, Medicaid, and Section 8 Housing.

We trust parents to make decisions for their children in a variety of ways — they choose their child-care provider, their pediatrician, their dentist, and make other decisions that are subsidized by government funds. Trusting parents to make K-12 education decisions for their children outside of the public school setting should not be viewed any differently.

Nine of the top 10 most rural states, as measured by the 2020 U.S. Census rural population share, have publicly-created private school choice programs: Vermont, Maine, West Virginia, Mississippi, Montana, Arkansas, South Dakota, Alabama, and New Hampshire. Kentucky at number 10 and North Dakota at number 11 do not. Rural areas are also seeing a rise in learning environments that become available following the implementation of a school choice policy.

For example, a study of Florida by The Heritage Foundation found that following the state's enactment of a school choice policy 20 years ago, the number of private schools in Florida's 30 most rural counties has nearly doubled. Rural areas are also seeing the rise of microschools and high-quality virtual schools. Arizona is another example of a state where its education choice policies spurred the creation of new learning environments and expanded existing options, including in rural areas.

HB 1540 includes safeguard language preventing new regulations from being imposed on ESA participants. One suggested additional barrier is to create a separate legal category for students who are home educated and participate in the ESA program compared to homeschoolers who choose not to participate. For example, under Arizona's ESA program, ESA students are not classified as "homeschool" students by state law.

At the end of the day, any school choice program is voluntary. If a parent or school is concerned about government regulation or new mandates, they do not need to participate and can continue teaching their children and students as they currently are. A family who can't currently access a nonpublic option for financial reasons and would be interested in opting in to the program should also be able to make that decision. Additionally, there is nothing preventing new regulations and mandates from being imposed on nonpublic learning environments even without a school choice policy.

In conclusion, HB 1540 is not an "either/or" proposal — either support one type of learning environment/system or support alternatives — but a "both/and" approach. Ninety percent of empirical studies have found positive effects of a school choice program on the test scores of public school students who don't participate, and a majority have also found positive effects on program participants' test scores.

HB 1540 provides families access to meaningful new opportunities while taking no existing options away, it does not impose new mandates on its participants, and it does not reduce funding for our public schools. I respectfully ask for a Do Pass.

Thank you for the opportunity to submit testimony in support of HB 1540.

Best,



Catrin Wigfall
Policy Fellow
American Experiment North Dakota

Chairman Heinert and House Education Committee Members,

My name is Kimberly Efta, and I am a resident of District 42 in Grand Forks (zip code 58203). I am a full-time real estate agent, and my husband, Deven, is a farmer. We are grateful to call North Dakota home and are raising our three children, ages 9, 8, and 6, here.

I am submitting this testimony in support of all school choice bills, as I firmly believe North Dakota needs to enact policies that allow parents to make the best educational decisions for their children. On February 4, I provided oral testimony in support of SB 2295, and I appreciate the opportunity to continue advocating for this issue today.

Both my husband and I were educated in public schools and had wonderful experiences. In fact, my family has long supported school choice. When I was in second grade at Unity Elementary in Petersburg, my parents fought for open enrollment in North Dakota. To ensure my older sisters could participate in extracurricular activities, they made the difficult decision to move our family more than 20 miles to Larimore. They traveled to Bismarck 19 times during the 1993 legislative session to advocate for open enrollment, and their commitment to our education left a lasting impression on me.

Decades later, we are still debating whether parents should have the right to choose the best school for their children. As a parent, I find it deeply concerning that public school district boundaries dictate where my child must attend school based solely on our home address. The recent Grand Forks Public Schools boundary map changes will force some children to switch schools, regardless of what may be best for their individual needs or proximity to their current school.

As a real estate agent, I have already received calls from homeowners who feel they have no choice but to sell their homes and move—simply to keep their children in their current school. This is a costly and unnecessary burden that could be avoided with expanded school choice policies.

There are also clear disparities between schools in Grand Forks. The highest-performing elementary schools—Kelly, Discovery, and Century—are located in wealthier neighborhoods, where the average sold home price in the past year was $494,272. Meanwhile, in the north Grand Forks neighborhoods of the 58203 zip code, the average sold home price is $226,693, and our assigned elementary school ranks 8th out of 11 in the district. Families should not have to buy a half-million-dollar home just to access a top-performing public school.

It is a complete misconception that only wealthy families choose private education. The reality is that many middle- and lower-income families also seek alternatives, but their options are limited. The current system creates an inequitable divide, where the wealthiest families have access to the best schools while lower-income families are left with fewer opportunities. No parent should be forced to uproot their family due to a school district’s redrawn boundaries.

One example of an alternative option serving families of all socioeconomic backgrounds is St. Michael's School, a historic school in downtown Grand Forks, located in District 18—one of the state's lowest-income areas. The school building, over 100 years old, features classic early 20th-century architecture, a four-story brick exterior, and a creaking wooden staircase. The playground is a blacktop parking lot, yet despite its lack of a sprawling campus, St. Michael's provides a strong education and serves as a testament to the lasting importance of school choice in shaping communities.

I urge you to support school choice policies in North Dakota to ensure that all families—regardless of income or address—have access to the best possible education for their children.

Thank you for your time and consideration.

Kimberly Efta
District 42 Resident, Grand Forks, ND

HSLDA®

Home School Legal Defense Association

PRESIDENT	James R. Mason III, Esq. DC, OR
LEGAL DIRECTOR	Scott A. Woodruff, Esq. MO, VA
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	Kevin M. Boden, Esq. WA
ASSOCIATE ATTORNEY	Samuel S. Johnson, Esq. AL
PRESIDENT EMERITUS	J. Michael Smith, Esq. VA
OF COUNSEL	Tom Sanders, Esq. TX

February 5, 2025

The Honorable Pat D. Heinert
Chairman
House Education Committee

RE: *Testimony in Opposition to House Bill 1540*

Dear Chairman Heinert and members of the House Education Committee:

I write to voice our opposition to H.B. 1540, as drafted.

HSLDA, as the world's largest homeschool advocacy organization, opposes the public funding of private home education. We believe that public tax-payer aid directly to home educating families is poisonous to the homeschooling movement. We have several concerns with the bill.

First, it is unclear whether a home educating family would be able to participate in the state funding available under this new bill. Presumably, a home school child is an "eligible student" under the definition provided in Section 1, Definitions, paragraph 5. However, the definition of "participating school" is a "private school" that "…has notified the administrator of the school's intention to participate…."

Second, H.B. 1540 references "any private school" in Section 1, Definitions, paragraph 7. However, NDCC, 15.1-20-02, which sets forth the exceptions to compulsory public school attendance, does not refer to a private school. As such, one is left to presume (or guess) that the private school referenced in the proposed legislation is either "an approved nonpublic school" or "home education" or both. H.B. 1540 should make clear what is referenced here and exclude home education as defined in NDCC, 51.1.20-04.

Third, even if home education is not included as a "participating school", home education is undoubtedly included under the definition of an "education service provider" under Section 1, Definitions, paragraph 3. The modern homeschool movement over the past 40+ years has been successful not because of government funding, but because of the voluntary association of parents who love their children and desire the best for them. We reject the notion and proposal that a home education parent could now be formally defined as a state "education service provider."

If the North Dakota Senate desires to fund a parent's decision regarding the education of his or her child, they can and should do so in a manner that does not jeopardize the freedom of home education. Several states have done this, and I am happy to provide examples of how this can be accomplished and work with the committee if needed to successfully accomplish this. Arizona, Florida, West Virginia, Utah and other have created tax-payer funded education savings account that create a separate compulsory exemption category and leave home education as it is.

It is also worthwhile to note that there is ample evidence that public funding of private education has not produced the results many desire. Just look to the examples of Arizona, Florida, West Virgin1a, Arkansas and others to find recent examples of the high cost of these programs, the significant implementation challenges and the bureaucratic hurdles they create.

The public, taxpayer funding of private home education places, at least in some small manner, the responsibility for approving decisions of home educating families in the hands of the state. After all, when the government collects tax dollars from residents and gives those taxes dollars to others via an education savings account, the state ought to know how those funds are being spent. Isn't fiscal transparency and responsible stewardship of tax payer funds still a good thing?

I also note that this legislation does not provideay additional educational options for any North Dakota children. H.B. 1540 does nothing to provide any additional choice, but simply provides state funds to the choice that parents already (or want to) make. It forces the tax-payers of North Dakota to pay for the private educational decisions of other families and does not provide any additional education options for families in the state.

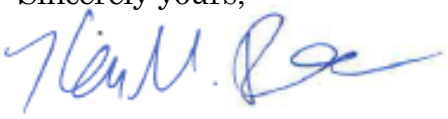
Finally, state aid to home education is premised on the notion that the education of children is a state responsibility based on the interests of the state. We disagree. We agree with the Supreme Court when it stated 100 years ago in *Pierce v. Society of Sisters*: "The child is not the mere creature of the State; those who nurture him and direct his destiny have the right, coupled with the high duty, to recognize and prepare him for additional obligations." (268 U.S. 510 (1925)). It's the parent who has this duty, not the state.

We also oppose H.B. 1590 and H.B. 2400 for the same principled reasons above.

For over four decades, HSLDA has stood for homeschool freedom. We encourage you to stand for this as well.

I urge a "do not pass" recommendation on H.B. 1540.

Sincerely yours,



Kevin M. Boden, Esq.
Staff Attorney

February 5, 2025
House Education Committee
HB 1540 - In Favor

Chairman Heinert, members of the education committee, my name is Emily Heydt. I am a senior from Berthold. I am here to offer testimony that is in favor of house bill 1540. By sharing the following testimony, I hope to provide further helpful insight to guide your decision of whether or not to recommend the passing of this bill and similar legislation. I'd first like to preface by giving you an overview of my academic background. I was homeschooled from preschool to 4th grade, attended public school from 5th grade to 8th grade, and will graduate in May from Our Redeemer's Christian School. I am incredibly grateful for each type of education I have received, and I firmly believe that my experience within these schools can attribute a valuable perspective for each of you to consider.

I would challenge each of you here not to see this as a public versus private school matter. I believe the goal of private and public schools is not as different as debates about the political aspects of education may persuade us to believe. This is a matter of student and parent choice and opportunity, not a battle between private and public. North Dakota Department of Public Instruction's mission statement says that they will "...partner with schools and communities to provide a statewide system of excellent service and support to ensure a healthy school environment that fosters student success."

This idea of providing a healthy environment that fosters student success is what private and public schools have in common, and is exactly why our legislators should consider providing more opportunity for parents and students to decide for themselves the type of education that will best foster their success.

At the conclusion of my 8th grade year, I began to realize that the public school I was attending was no longer the healthiest fit for me, with various factors leading to this realization. I knew I needed to make a change in order to further my growth as a student. I brought these thoughts to my parents, and I was fortunate enough that they recognized my concerns and were able to send me to the school I currently attend. Choosing to go to a private school has resulted in many personal sacrifices. I commute half an hour to and from school each day, and I participate in activities that often keep me in town after school. This results in me spending more hours in a week away from home than I do at home. Most people willing to switch schools understand that there are sacrifices that will be made, and no matter the reason behind this change, we should be supporting their decision to choose what education is best for them.

No type of education is perfect, whether homeschool, public, or private. I can attest to the fact that each has their own set of pros and cons. I was given excellent education in all three types of schools, yet I don't believe I would be the same student standing before you today had I not switched schools my freshman year. Homeschool was the healthiest fit for me as an elementary student. Public school was the healthiest fit for me as a junior high student. And private school has been the healthiest fit for me as a high school student. It doesn't matter which type of education you choose, what matters is that you are able to make that choice. When I think about the possibility that there are students in my state who may be in the same shoes I was as an 8th grader, considering a different education experience, but then them not being able to make that change because of financial restraint, I am incredibly saddened to think that they may be missing out on the opportunity for personal growth and the positives that I have seen can come from a private education.

By passing this bill or bills similar to this, our legislators will be providing students and parents the opportunity to choose the healthiest, best fitting education that will foster their success by removing some of the financial obstacle that comes with pursuing a private education.

Similar to the way I was not forced to switch schools, I was not asked by anyone to come speak today. I heard conversations about these bills and felt it was necessary to come and share my experience with you. Let my choice to come speak today out of the overflow of the compassion I have for students and parents like me be the greatest testimony to the impacts these bills could potentially have.

Thank you for your time and consideration. I am willing to stand for questions.

Good morning,

Mr. Chairman and members of the House Education Committee. For the record, my name is Lisa Brintnell, from Minot, ND. I am here today to express my support for House Bill 1540.

My husband and I have eight wonderful children, six of those attending Bishop Ryan Catholic School.

As parents, we have always prioritized the education of our children. Providing them with a high quality education is the best investment we can make in their future. After careful consideration and much prayer, we choose to enroll our children in a private school that aligns with our values. This decision was not made lightly, as it has come with significant financial sacrifices.

Bishop Ryan has provided our children with a safe, nurturing environment where they have been able to thrive academically, socially and emotionally. However, the financial burden of sending eight children to private school is substantial; $40,000 to be exact. The cost of tuition, educational materials, and to be honest the daily cost of living has made is difficult to sustain this level of financial commitment.

As hard working, tax paying citizens of North Dakota, we believe we should have input on where our tax dollars are being spent. The proposed Educational Savings Account programs outlined in these bills would be a game changer for our family. The flexibility to use these funds for our children's educational expenses would enable us to continue providing the best education for our children without compromising our financial stability.

I hope you strongly consider families such as ours, taking religious freedom into consideration and the impact it can make on the future of our children when voting on these bills. I respectfully request that you give this bill a Do Pass.

This concludes my testimony, and I stand for any questions.

Respectfully,

Lisa Brintnell

February 3, 2025
House Education Committee
HB 1540 - In Support

My name is Renee Heydt and our family lives southwest of Berthold in rural Ward County. As we're all aware, there is no manual for parenting, and when our oldest began preschool seventeen years ago, we quickly discovered that educating our children might not be as simple as we thought. We lived in Dallas at the time, and knew our neighborhood public school would not be an option. My husband was working on a college degree, I was changing diapers and clipping coupons for groceries, and private school was way out of reach. With my degree in education on our office wall, homeschooling became the first step in the education journey for our three children.

Job opportunities brought us to North Dakota a short time later, and within Ward County we've had the privilege of utilizing homeschool, rural public school, and private school options over the last fifteen years. None of these options are perfect. All come with both positives and negatives. We were fortunate to enjoy a very supportive relationship with our local public school and we've known many excellent, hard-working, caring teachers and administrators within our district. We're grateful for their contribution to our children's education, and it was a good fit for our family during that time. We would never advocate to fund school choice by reducing funding for our public schools.

A desire for higher academic rigor, a more structured environment with high expectations, less digital learning, and faith-based curriculum brought us to Our Redeemer's Christian School in Minot four years ago. I've been fortunate to reenter the classroom as a high school English teacher, and a generous employee tuition discount provides the means for us to keep our children in the private school setting.

I'm often asked about our school and how I like teaching there. I love sharing about the hardworking and respectful teenagers I'm fortunate to spend my days with, our supportive administration, caring parents, and our phone-free classrooms! Sadly, these conversations often end with comments like, "We'd really like to send our kids to private school too, but we just can't afford it."

During this legislative session, you have an opportunity to remedy this for families in our communities. I am in support of an education savings account program, but I believe there are issues within HB 1540, as well as the other five bills, that must be addressed. Access to the funds, how they will be disbursed, misuse prevention, explanations of qualifying expenses, and annual testing requirements are some areas that need further attention and clarification.
I spent many hours reading, studying, and discussing these six school choice bills. While I see issues with each one, what I ***do not*** see is public school funding reduced in any way. Some, like 1540, would actually ***increase*** funding to public schools through the program. Just like home, public, and private education are not perfect, none of these bills are perfect. All have both positives and negatives. I'm in full support of education savings account legislation, and I

implore you to consider each carefully, revise and rework them, and find a sensible, fiscally responsible bill that will provide funds for more North Dakota families to educate their children in the school setting that best meets their needs.

Thank you for your time and consideration, and thank you for your service to the people of this great state.

Sincerely,

Renee Heydt
Berthold, ND

NORTH DAKOTA STUDENT ASSOCIATION | THE VOICE OF THE STUDENTS

HB 1540

February 5, 2025

Sammi Weber, North Dakota Student Association

Sammi.Weber@und.edu

Chair Heinert and Members of the Committee,

My name is Sammi Weber, and I am the President of the North Dakota Student Association. I am writing to express my support for HB 1540.

The North Dakota Student Association (NDSA) is a student organization established in 1969 that is dedicated to ensuring that students have a voice in policy that affects Higher Education. The NDSA consists of delegates from each of the 11 public institutions that meet monthly to engage students in Higher Education policy in North Dakota. Our mission is to empower students, foster collaboration between students across campuses in the North Dakota University System (NDUS), and to advocate on issues of higher education in support of access, affordability, quality, and the student experience.

The education savings account proposed by this bill will ultimately benefit North Dakota higher education students by providing stronger academic resources and reducing some of the financial burden on families. By allowing greater flexibility in allocating educational savings, parents and guardians can ensure their children have access to innovative learning environments, specialized tutoring, and advanced education programs. This bill enables families to direct educational funds where they are most needed, ensuring students receive an education tailored to their needs. Stronger academic preparation for primary and secondary students will increase the likelihood of success in higher education for those who choose to pursue it.

House Bill 1540 gives families the opportunity to save for their children's higher education. With education savings accounts available in primary and secondary school, future higher

education students will be in a better financial position to invest in themselves. As a university student who has experienced the challenges of financial strain on both myself and my family, I believe House Bill 1540 is a meaningful step toward higher education affordability. The educational savings account program will support students who hope to contribute to North Dakota's workforce and community.

On behalf of the NDSA, I respectfully ask the committee for a DO PASS recommendation on House Bill 1540.

Testimony in Support of House Bill 1540 – Education Savings Accounts (ESA)

Committee Chair and Members of the North Dakota Legislative Assembly,

I respectfully submit this testimony in strong support of House Bill 1540, which would establish an Education Savings Account (ESA) program in our state. This bill represents a crucial step toward expanding educational opportunities and addressing the financial barriers that prevent many families from accessing private education.

Expanding Access to Private Education

House Bill 1540 would directly benefit families who seek a private education but currently lack the financial means to afford it. At Riverside Christian School, we are dedicated to providing a rigorous, faith-based education. By offering state-funded ESAs, this bill would ensure that more families have access to an education that aligns with their values, without being limited by their financial circumstances.

Leveraging Private Support for Greater Access

Private schools, including Riverside Christian, already provide substantial tuition assistance to families in need. The ESA program would complement these efforts by matching public funds with private resources, significantly expanding our capacity to assist families. This public-private partnership would enhance access to a quality, faith-centered education, ensuring that more students benefit from the unique learning environment we offer.

Commitment to Inclusivity and Student Success

Opponents of this bill often express concerns about excluding students with special needs. However, Riverside Christian School is committed to meeting the needs of all learners, including those with Individualized Education Plans (IEPs). We have a long track record of inclusivity and support for students with diverse needs, and the ESA program would allow us to strengthen that commitment, ensuring that every child receives the care and education they deserve.

Conclusion

In conclusion, House Bill 1540 provides a transformative opportunity to expand educational choice for North Dakota families, particularly those who are financially constrained. By supporting this bill, the state will help schools like Riverside Christian continue to provide a high-quality, affordable, faith-based education to more families. I urge you to pass this important legislation, which will foster greater access to educational opportunities and strengthen the long-term future of North Dakota's children. Thank you for your time and consideration.

Sincerely,

Michael J. Martens
President, Riverside Christian School

I am testifying in opposition to bill HB 1540 .

This bill threatens the integrity of our public education system by using taxpayer dollars for private schools. Private schools are not held to the same transparency, accountability, or accessibility standards as public schools.

North Dakotans have consistently opposed voucher programs, and i strongly urge you to do the same.

Public funds should remain in public schools, where they serve all students, regardless of ability, background, or financial status. Our public schools are the foundation of our communities, and instead of diverting resources away from them, we should be investing in smaller class sizes, support staff, mental health resources, and competitive wages for educators.

As an educator I have worked with families that have had their child turned away or expelled because they did not fit the image the private institution has. I have spoken with superintendents, administrators, teachers, and families from others states about vouchers and how it has affected their communities. Unfortunately no one has had stores of success. There have been many stories shared about increase in tuition, loss of public funding hurting smaller areas, and the overall cost to run the vouchers increasing.

I strongly urge you to vote NO on this bill and to stand with North Dakota's students, families, and educators in preserving a strong public education system.

Thank you for your time and consideration. I appreciate your service to our state and look forward to your support in keeping public dollars in public schools.

25.1055.02001
Title.

Prepared by the Legislative Council staff for Representative Koppelman
January 29, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

HOUSE BILL NO. 1540

Introduced by

Representatives Koppelman, Hauck, J. Johnson, Marschall, Morton, Rohr, Steiner

Senators Clemens, Cory, Gerhardt, Wobbema, Boehm

A BILL for an Act to create and enact a new chapter to title 15.1 of the North Dakota Century Code, relating to an education savings account program.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new chapter to title 15.1 of the North Dakota Century Code is created and enacted as follows:

Definitions.

As used in this chapter:

1. "Administrator" means an organization registered by the secretary of state to do business in North Dakota and designated by the Bank of North Dakota to ~~implement~~assist in the implementation of this chapter.
2. "Department" means the department of public instruction.
3. "Education service provider" means an individual or organization approved to provide qualified education services. The term does not include a participating school.
4. "Eligible postsecondary institution" means a community college, an accredited university, or an accredited private postsecondary institution.
5. "Eligible student" means:
   a. An elementary or secondary student who is a resident of this state and is eligible to attend a public school; or

b. A student who has received a scholarship under the education savings account program until the student graduates high school or reaches twenty-one years of age, regardless of household income.

6. "Parent" means a resident of this state who is a parent, guardian, custodian, or other person with the authority to act on behalf of the child.

7. "Participating school" means any ~~private~~nonpublic school providing education to elementary students, secondary students, or both that has notified the administrator of the school's intention to participate in the education savings account program and comply with the education savings account program requirements under this chapter and related administrative rules.

8. "Private tutoring" means qualified tutoring services approved to receive payment under this chapter.

Account deposits - Parent agreement - Qualified expenses - Enrollment.

1. The Bank of North Dakota annually shall deposit into ~~an~~each education savings account eighty percent of the dollar amount under subsection 3 of section 15.1-27-04.1 for the respective year.

2. The department shall give priority access to the education savings account program to the sibling of a student already enrolled in the education savings account program.

3. A parent of an eligible student qualifies for a state grant to the child's education savings account if the parent signs an agreement with the department promising:

a. To provide an education for the eligible student in at least the subjects of reading, grammar, mathematics, social studies, and science;

b. Not to enroll the parent's eligible student in a public school;

c. To use education savings account program funds solely for qualified expenses under this chapter;

d. To comply with the requirements outlined in this chapter and any related rules;

e. If the participating student is a child with a disability, to acknowledge the parent has received information from the department and understands participation in the education savings account program qualifies as a parental placement of the parent's child under the Individuals with Disabilities Education Act [Pub. L. 108-446; 20 U.S.C. 1412(a)(10)(A)]; and

f. To notify the department if the parent's student terminates participation in the education savings account program and enrolls in a public school.

4. A parent participating in the education savings account program shall use the funds deposited in the eligible student's account for the following qualifying expenses to educate the eligible student~~;~~:

a. Tuition and fees at a participating school;

b. A textbook required by a participating school;

c. Payment for private tutoring or to another educational service provider;

d. Payment for purchase of curriculum;

e. Tuition or fees for a nonpublic online learning program;

f. Fees for national norm-referenced examinations, advanced placement examinations or similar courses, and any examinations related to college or university admission;

g. Computer hardware, software, or other technological device that is used solely for a student's educational needs and approved by the department or a licensed physician, provided hardware purchased with education savings account funds may not be resold within one year of purchase;

h. Reasonable fees for transportation paid to a fee-for-service transportation provider for the student to travel to and from an education service provider;

i. Tuition and fees at an eligible postsecondary institution; ~~or~~

j. A textbook required for college or university courses; or

k. Upon graduation, a transfer to a North Dakota education savings plan under section 6-09-38.

5. A participating school, private tutor, eligible postsecondary institution, or other education service provider may not refund, rebate, or share a student's grant with a parent or the student in any manner.

6. A parent may make a payment for the cost of educational programs and services not covered by the funds in the child's account.

7. A participating student must ~~be counted in the enrollment figures for~~inform the department of the student's school district of residence for the purposes of calculating state aid ~~to~~for the school district of residence. ~~The funds needed for a grant to an~~

~~education savings account must be subtracted from the state school aid payable to the student's school district of residence and forwarded to the Bank of North Dakota for deposit in the education savings account. Twenty~~The department shall forward twenty percent of the dollar amount under subsection 3 of section 15.1-27-04.1 for the respective year ~~per grant must be paid~~ to the school district of residence for each participating student residing in that school district in addition to any other state aid paid to the school district.

8. The state treasurer annually shall transfer the funds required for education savings accounts from the general fund to the Bank of North Dakota for quarterly deposit in each education savings account.

9. Funds, not to exceed twenty-five percent of the amount under subsection 1, not expended over the course of a school year may be carried forward for use in the following school year for a child who remains in the education savings account program. If a parent removes a child from the education savings account program before the end of the school year, any remaining funds from that school year must be returned to the state and be allocated to fund other accounts. A student may transfer to another nonpublic school or home school and retain the funds in the education savings account.

~~9.~~10. Funds deposited in an education savings account do not constitute taxable income to the parent or the education savings account student.

Bank of North Dakota - Administrator - Administration.

1. The Bank of North Dakota shall:
   a. Qualify private financial management firms to manage and administer education savings accounts.
   b. Conduct or contract for the auditing of accounts and, at a minimum, conduct random audits of accounts on an annual basis. The Bank of North Dakota may make a parent of an eligible student ineligible for the education savings account program if the parent substantially misuses the funds in the account.
   c. Refer cases of substantial misuse of funds to law enforcement for investigation if evidence of fraudulent use of an account is obtained.

d. Make payments to eligible students' education savings accounts on a quarterly basis.

e. Adopt rules and procedures as necessary for the administration of the education savings account program.

2. The administrator shall provide to the parent of a participating student a written explanation of the allowable uses of education saving accounts, the responsibilities of the parent, and the duties of the administrator.

Participating schools - Accountability standards.

1. To ensure students are treated fairly and kept safe, each participating ~~private~~nonpublic school shall:

a. Comply with all health and safety laws or codes that apply to ~~private~~nonpublic schools;

b. Obtain certification of approval under section 15.1-06-06.1;

c. Hold a valid occupancy permit if required by the school's municipality; and

~~c.~~d. Certify the school complies with the nondiscrimination policies under [42 U.S.C. 1981]~~; and~~

~~d. Conduct criminal background checks on employees. The participating school shall exclude from employment any individual who:~~

~~(1) Is not permitted by state law to work in a private school; and~~

~~(2) Might reasonably pose a threat to the safety of students~~.

2. To ensure funds are spent appropriately, a participating school shall:

a. Provide a parent with a receipt for all qualifying expenses at the school.

b. Demonstrate the school's financial viability, if the school is to receive fifty thousand dollars or more during the school year, by filing with the administrator before the start of the school year:

(1) A surety bond payable to the state in an amount equal to the aggregate amount of the funds from education savings accounts expected to be paid during the school year from students admitted at the participating school; or

(2) Financial information demonstrating the school has the ability to pay an aggregate amount equal to the amount of the funds from education savings

accounts expected to be paid during the school year to students admitted to the participating school.

3. To allow parents and taxpayers to measure the achievements of the education savings account program:

a. Parents shall ensure:

(1) The eligible student annually takes the state achievement tests, nationally norm-referenced tests, or equivalent tests that measure learning gains in mathematics and language arts, and provide for value-added assessment. If a parent selects the state achievement test, the department shall pay associated costs and materials;

(2) The results of the tests are provided to the department or an organization chosen by the state on an annual basis;

(3) The student information is reported in a way that allows the department to aggregate data by grade level, gender, family income level, and race; and

(4) The department, or an organization chosen by the department, is informed of the eligible student's graduation from high school.

b. The department, or an organization chosen by the department, shall:

(1) Ensure compliance with all student privacy laws;

(2) Collect all test results;

(3) Provide the test results, associated learning gains, and graduation rates to the public on the department's website after the third year of test and graduation-related data collection. The findings must be aggregated by the student's grade level, gender, family income level, number of years of participation in the education savings account program, and race;

(4) Provide rates for high school graduation, college attendance, and college graduation for participating students to the public on the department's website after the third year of test and test-related data collection; and

(5) Administer an annual parental satisfaction survey requesting each parent of a student receiving an education savings account program grant indicate the number of years the child has participated in the education savings account program and express the parent's:

(a) Satisfaction with the education savings account program; and

(b) Opinions on other topics, items, or issues that may indicate the effectiveness of the education savings account program.

4. A participating ~~private~~nonpublic school or other education service provider is autonomous and not an agent of the state or federal government and:

a. The department may not regulate the educational program of a participating ~~private~~nonpublic school or education service provider that accepts funds from an education savings account, except as ~~otherwise~~ provided ~~by law~~under this chapter and chapter 15.1-23;

b. The creation of the education savings account program does not expand the regulatory authority of the state, its officers, or a school district to impose an additional regulation of ~~private~~nonpublic schools or education service providers beyond the regulations necessary to enforce the requirements of the education savings account program; and

c. Participating ~~private~~nonpublic schools and education service providers must have the freedom to provide for the educational needs of the school's students without governmental control.

Department of public instruction - Administrator - Duties.

1. The administrator shall:

a. Ensure eligible students and parents are informed annually of the schools that will be participating in the education savings account program.

b. Create a standard form a parent of an eligible student may submit to establish a student's eligibility for the education savings account program. The administrator shall ensure the application is readily available to interested families through various sources, including the department's website.

c. Accept applications on a year-round basis and shall approve applications in a reasonable time frame.

d. Execute a multimedia marketing program targeting eligible families, especially those below the state's median household income, informing the families about the education savings account program and how to apply.

e. Establish a web and phone-based support system providing parents with education savings account program application support and ongoing account maintenance support.

2. The department may bar a participating school or education service provider from the education savings account program if the department determines the participating school or education provider has:

a. Routinely failed to comply with the accountability standards established under this chapter; or

b. Failed to provide the eligible student with the educational services funded by the education savings account.

3. If the department bars a participating school or education provider from the education savings account program, the department shall notify eligible students and parents of the decision as quickly as possible. A parent may appeal a decision of the department under chapter 28-32.

4. The department shall adopt rules and procedures as necessary for the administration of the education savings account program.

School districts of residence - Duties.

The school district of residence:

1. Shall provide a participating school or education provider that has admitted an eligible student under this chapter with a complete copy of the student's school records, while complying with the Family Educational Rights and Privacy Act of 1974 [20 U.S.C. Section 1232(g)].

2. May provide transportation for an eligible student to and from the participating school or education provider under the same conditions as the school district of residence is required to provide transportation for other resident students to ~~private~~nonpublic schools. The school district of residence qualifies for state transportation aid for each student transported.

North Dakota School Study Council Testimony in Opposition to HB 1540 – Education Saving Accounts

Chairman Heinert and Members of the House Education Committee,

Thank you for the opportunity to provide testimony on HB 1540. My name is Paul Stremick and I represent the 18 schools in the North Dakota School Study Council. I am here today to express my strong opposition to HB 1540, which proposes the establishment of Education Savings Accounts (ESA). While the concept of school choice may appear beneficial on the surface, this bill presents significant concerns regarding financial accountability, fairness, and the fundamental principles of North Dakota's education system.

Accepting Public Dollars Means Accepting Public Accountability

First and foremost, HB 1540 lacks any substantial accountability measures for the $243 million in public funds that would be diverted to private education. As responsible stewards of taxpayer dollars, we must ensure that public funds are used effectively, transparently, and with rigorous oversight. This proposal does not align with North Dakota's conservative values of fiscal responsibility and accountability. Public schools operate under strict regulations to ensure that funds are spent wisely and in the best interest of students. ESA funds, however, would be distributed without the same level of scrutiny, leading to potential misuse and inefficiencies.

Furthermore, HB 1540 creates unfair competition for public schools. While private and alternative educational institutions would benefit from these funds, they are not held to the same standards as public schools. Public schools must comply with state laws, educational benchmarks, special education mandates, and standardized assessments to ensure quality education for all students. In contrast, private schools and other educational entities benefiting from ESA funds would not be required to follow these same rules, creating an uneven playing field that disadvantages public education while using public money to support institutions that may selectively admit students. During my time in private education, I questioned the superintendent about why our school performed slightly better than our public school counterparts, despite having similar student populations. His response was clear: parents who actively choose to send their children to private schools tend to be more involved in their child's education. This level of engagement contributes significantly to student success.

Another significant issue is that several public school districts in North Dakota already no state funding through the current funding formula, yet they must still adhere to all state education laws and mandates. HB 1540 exacerbates this inequity by redirecting additional state resources to private education while failing to address the disparities in funding for public schools. If the state mandates compliance with educational

regulations, it must also ensure that adequate funding is provided to all public districts, rather than diverting essential resources to unregulated private entities.

Public schools are the foundation of our communities, serving all children regardless of background, ability, or socioeconomic status. HB 1540 risks undermining this critical institution by prioritizing unaccountable private education funding over the needs of our public school system. North Dakota students deserve a well-funded, transparent, and equitable education system that supports all learners, not just those who can access alternative schooling options.

I urge you to reject HB 1540 and instead focus on strengthening our public education system to ensure accountability, fairness, and responsible stewardship of taxpayer dollars. Thank you for your time and consideration. I am happy to answer any questions or provide further information as needed.



Dr. Paul Stremick

Testimony on House Bill 1540
February 5, 2025; 2:30 PM
House Education Committee
Rep. Patrick Heinert, Chairman

Marya J. Skaare, President, Trinity Catholic Schools

Affirmative Support of HB 1540

Greetings Chairman Heinert and House Education Committee Members!

My name is Marya Skaare, and I reside in District 39. I am the current President of Trinity Catholic Schools in Dickinson and more importantly, I am a parent, so this bill is of great interest to me and the many families seeking education choice in ND. Thank you for the opportunity to share my support of HB 1540 with you. Born, raised and educated in North Dakota, I am a product of our State's strong system of public schools from a small community where, like the majority of North Dakota, there was not a non-public school option available. Even today, less than 7% of school-age students in ND attend a non-public school. Even with the modest number of non-public options, my children have been fortunate enough to attend both public and non-public schools with the latter simply being the right fit for our family, and ultimately, where I would be called to serve in my career. I share this with you today because I simply want to take a moment to reinforce the fact that HB 1540 is not intended to be an indictment of public schools, just as it should not be used as an indictment of non-public schools. This bill is about students. Plain and simple. It allows for EVERY North Dakota student to receive some level of support from the State to assist in their cost of education.

Ever since the Supreme Court ruled Blaine Amendments unconstitutional, conservative states like North Dakota have been responding enthusiastically to the decades-long demand for parent choice in education with bills like HB 1540. Misinformation opposition attempts to create confusion about who HB 1540 supports. Make no mistake—this bill supports students. No, HB 1540 is not about pitting school systems against one another and it is not about a new funding mechanism for private school systems to the detriment of public school systems. In fact, upon reviewing the proposed bill, I was pleased that it makes very clear that the intent is to expand our State's commitment to student success by implementing a savings program for families for qualified education expenses, including cost to attend nonpublic schools—a category of schools recognized by NDDPI that includes more than just Catholic, Lutheran, and other faith-based schools, but also schools like the Anne Carlsen Center and Full Circle Academy; as well as tribal schools, innovation academies and schools for at-risk students. Even so, HB 1540 is clearly not about State support of nonpublic school systems, it is about State support of STUDENTS in these systems—support for EVERY North Dakota school-age student regardless of the type of school with which they affiliate; and as a parent, that is incredibly encouraging and makes me so proud of who we are as North Dakotans. Our willingness to blaze trails, aspire to greatness and always prioritize our people, is exactly why this bill is worthy of a do-pass recommendation.

Testimony on House Bill 1540
February 5, 2025; 2:30 PM
House Education Committee
Rep. Patrick Heinert, Chairman

Marya J. Skaare, President, Trinity Catholic Schools

Affirmative Support of HB 1540

The collective nonpublic schools in ND save the State millions of dollars each year with the help of our stakeholders, which include tuition-paying families, we operate schools that not only save the State the per pupil rate for each of the 7900+ nonpublic school students, but also contribute to our local economies and produce ND graduates who go on to attend ND colleges and universities and work in our communities. Nonpublic schools are essential to offering a diverse education landscape in our state and actually help to attract new families to our North Dakota home. When I worked in workforce recruiting in the energy industry, one of the first questions our HR department was asked was about our schools—not just pertaining to public school quality, but are there private, charter and Montessori schools available? For new North Dakotans, education choice matters.

In Dickinson alone, if we closed our doors, our local school district would struggle to accommodate the influx of students with already strained capacity, and the State would be responsible for the full per pupil payment for each student now in public school. This bill is requesting funds based on the current per pupil rate be made available via education savings accounts to help the education cost for students whose families choose nonpublic education. Public schools are well-funded and will continue to get the per pupil rate per student enrolled in their schools. This bill does not reduce the amount paid per pupil to public schools and is not a taking of money from ND students. On the contrary, this bill actually expands the state's commitment to North Dakota students by supporting ALL students, regardless of school affiliation.

Detractors continue to try and make this about the differences between nonpublic and public schools—but that is just a distraction. The State has determined the guidelines to become a qualified nonpublic school operating in the State of ND and they have established standards, reporting guidelines, etc., with which we must comply. Your nonpublic schools follow these guidelines, are recognized as qualified schools and are compliant with all State requirements. We are doing what we are being asked to do according to the rules created for us by the State. That being said, this is a distraction because this legislation is not about how nonpublic schools behave, it is about helping the families who choose nonpublic education opportunities. These are tax-paying, North Dakota families who could use the help provided with HB 1540. With the rising cost of education, nonpublic schools are constantly trying to keep up with our well-funded, public school neighbors. We strive to pay 80% of what public schools pay, but that continues to be a struggle as public school wages increase and retirement benefits outpace what we are able to provide; and we are all keenly aware that no one is immune from the impacts of inflation. The meaningful point here is that these are costs that get passed on to our tax-paying,

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Affirmative Support of HB 1540

nonpublic school families. They are the ones who bear the burden of helping our nonpublic schools to cover the rising costs to educate with their tuition dollars—costs that are heavily influenced by our public schools as they are the market drivers in the education sector. As the cost to educate increases, their tuition costs increase. HB 1540 will provide needed support to families who choose nonpublic schools and unlock access for families who have felt like they had no choice in education due to financial limitations.

Chairman Heinert and esteemed representatives, please accept my enthusiastic and sincere encouragement for your support of HB 1540. Your support of 1540 is support of ND students and their success. Your support of 1540 is your support of unlocking funds for ND families to choose the educational setting that is right for their children. Your support of 1540 is an investment in our future by investing in our people. Your support of 1540 begins today, with a do-pass.

Hello Mr. Chairman and House Education Committee,

My name is Kimberley Winfield. I live in District 8 and I am a parent who has chosen to enroll my children at Shiloh Christian School.

I support House Bill No 1540,and all school choice bills that support parent autonomy and the right to provide an education for my child. I support House Bill No 1540 because private school education has shaped my life and is shaping my children's lives even though sacrifices have had to be made to ensure that this education was and is possible.

Thirty five years ago my younger brother and I were enrolled as new students at Shiloh Christian School. That same year my mother was completely blindsided when my dad filed for divorce and left our family. She knew without a shadow of a doubt that my brother and I needed to remain at Shiloh because it was not only our school, but it had become our village. And as you know, it takes a village to raise a child.

Shiloh provided my brother and I with stability, and an outstanding education. More importantly Shiloh provided us with a community that circled around our family, nurturing us and strengthening our faith along the way.

My mother went from being our stay at home mom to working two jobs and doing random odd jobs to ensure we could go to Shiloh. And she still had to humbly accept help from her mom who also decided to pick up extra work to help pay for our tuition. Instead of becoming statistics from a broken home, both my brother and I went on to become first generation college graduates. I also have a Master's Degree in Education, and am almost done with my doctoral degree as well. I'd like to add that I completed an entire semester of college credits taking CLEP tests and I see that this Bill also supports using funds for that!

After College my husband and I spent the first 16 years of our married life in Atlanta, Georgia. We love Atlanta! However, we moved back to Bismarck in 2021 so that our children could have a better quality of life, which for us meant that they would be able to grow up with their cousins and attend Shiloh Christian School. We enrolled the kids in 2021 and we currently have an 8th grader, 6th grader, and 3rd grader at Shiloh.

Just like it did for my brother and I, Shiloh provides our children with a supportive community that not only nurtures their faith and academic development, but also provides them with a village that is committed to supporting them and even me. My husband is a millwright, so he travels for months on end for powerstation turnarounds. I am so thankful for the support of my parents, family, and my Shiloh family when he is gone. One of the things I love most about being able to choose where my kids go to school is that it creates opportunities for families to educate their children together. My brother, brother-in-law, first cousin, and I all send our 12 kids to Shiloh. We actually all live in completely different areas of Bismarck, Mandan which means that our children would not have the opportunity to go to school and grow up together on an everyday basis if they did not attend Shiloh.

There are families at Shiloh who do not feel a tremendous amount of burden by the tuition there. Yet there are many more who do. We fall into that category. We have to keep a tight budget that doesn't include things like going to the movies, or out to eat, or taking vacations. We drive old cars so that we don't have car payments and we are as frugal as possible in every area.

I currently teach at Shiloh which helps us because there is a tuition discount for staff. I also teach summer school for BPS to supplement my income and stay abreast of what's happening in the school system. However, I still have to work a second job waitressing at Wings and Rings to help make sure we can keep our kids at Shiloh. We definitely feel the stress of finances on a regular basis. If we had a child that needed extra tutoring services I don't even know where we would come up with the funds, but I see that House Bill 1540 could even be used to help with that.

House Bill 1540 would be a real blessing to our family and others like us because it would help eliminate some of the stress we experience by providing funds to help with tuition, while we provide our kids with the educational experience that is best for them. It's vital that parents have school choice options so that they can do what is best for their child. My best friend's 12 year old son died from MD two weeks ago. She was able to provide him with the best possible quality of life by doing online virtual school with him.

In the past, I worked for Ashworth College and James Madison High School, which are affiliated private online schools. We served so many students that were not successful in public school, but found success and earned a high school diploma doing online school. Many of our students weren't successful in public school simply because of who they were. They were pegged as different or odd and bullied by their peers because of it. These same students had amazing gifts and talents that they went on to pursue and share with the world after earning their high school diploma and or degree online.

As a result of my personal experiences with private education, I urge you to vote in favor of house Bill 1540.

NDSBA
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HB 1540
Testimony of Amy De Kok
House Education Committee
February 5, 2025

Chairman Heinert and members of the House Education Committee, thank you for the opportunity to provide testimony today. My name is Amy De Kok, and I serve as the executive director for the North Dakota School Boards Association. Thank you for the opportunity to testify today. I am here to express opposition to HB 1540, which proposes the creation of an Education Savings Account (ESA) voucher program that diverts public funds to private and home-school education without requiring the same accountability and transparency that public schools must adhere to. This bill would allow state education funds to be spent on a wide array of expenses with inadequate oversight, and it represents a significant financial burden on the state with the potential to weaken the foundation of North Dakota's public education system.

Public Funds Should Require Public Accountability

HB 1540 would allocate taxpayer dollars to private education providers, homeschooling families, and education service vendors that do not have to meet the same transparency and performance standards as public schools. Public schools must follow state-approved curricula, administer standardized assessments, and publicly report student achievement data to ensure accountability for the use of public funds. In contrast, HB 1540 allows ESA funds to flow to private and home education providers that are not subject to these requirements. There is no mechanism to ensure students receiving state-funded private education are receiving a quality education, nor is there any requirement that these students meet minimum academic benchmarks.

While public schools are overseen by elected school boards, private schools and education service providers receiving ESA funds operate independently, with no requirement to disclose financial statements, academic results, or how state funds are being spent. This means taxpayer dollars could be funding ineffective or even predatory education providers with no consequences for poor performance or financial mismanagement.

In addition, nonpublic schools can refuse to admit or provide adequate services for students with disabilities, English learners, and others who require increased resources for an equitable education, meaning these students are more frequently educated in public schools. Parents may also return their children to public schools when they realize they are not receiving the essential services and legal protections available there. Public schools require increased resources to serve students with elevated needs, even as public funds are diverted to pay for vouchers. The bill would also divert public funds to support private education and home education regardless of the mission or the nature of the curriculum these dollars would support.

Voucher programs, like HB 1540, do not simply shift funds that would have been spent on public school students to pay for their private education. When states establish voucher programs, families already paying for or planning to use private education often participate. Data from several states shows that 70-80% of their voucher students were already attending private schools. This means that public dollars are subsidizing private education for families who were already covering these costs, rather than expanding educational opportunities for low-income students.

Broad Range of Approved Expenses with Weak Audit Requirements

Another troubling aspect of HB 1540 is the extensive list of allowable expenses that ESA funds can be used for, coupled with a lack of meaningful financial safeguards to prevent misuse or fraud. Under this bill, ESA funds can be spent on:

- Private school tuition and fees
- Textbooks and curriculum purchases
- Private tutoring services
- Online education programs
- College tuition and required books
- Computers, software, and technology
- Transportation fees to private education providers

While these expenses may seem education-related, the bill lacks strong audit and enforcement measures to ensure funds are being used as intended. In states with similar ESA programs, there have been widespread cases of misuse, including parents using ESA funds for personal items, vacations, and unapproved services.

In addition, the bill includes vague language about “random audits” by the Bank of North Dakota, but it does not mandate comprehensive, independent financial audits of the program. Without clear enforcement measures, North Dakota risks experiencing the same financial abuses seen in other states,

where ESA funds have been spent on non-educational purchases such as beauty supplies, theme park tickets, and high-end electronics. The bill also allows ESA recipients to roll over unspent funds to the following year, but there is no system in place to ensure that money is actually being used for education. If a family misuses ESA funds, there is no clear process for recovering those dollars, leaving taxpayers to foot the bill for waste and fraud.

HB 1540 imposes a significant financial burden on the state and directly harms public schools. The funding mechanism in this bill siphons money away from public schools by allocating 80% of per-pupil state funding to private and home education while providing only 20% back to public school districts. Once an ESA program is in place, enrollment is likely to grow as more families seek to take advantage of state funding. While HB 1540 does not impose income limits on eligibility, similar programs in other states have led to substantial cost increases over time, diverting millions of dollars from public education budgets. North Dakota taxpayers would ultimately bear the cost of this program, which has no built-in financial cap or sunset provision to prevent unsustainable spending growth.

For these reasons, I urge this committee to reject this bill in favor of policies that maintain strong financial accountability and protect public education as the cornerstone of our communities.

2025 HOUSE STANDING COMMITTEE MINUTES

Education Committee
Coteau AB Room, State Capitol

HB 1540
2/10/2025

Relating to an education savings account program.

10:42 a.m. Chairman Heinert opened the hearing.

Members Present: Chairman Heinert, Vice Chairman Schreiber- Beck, Representatives, Conmy, Hager, Hatlestad, Hauck, Heilman, Jonas, Longmuir, Maki, Marchall, Morton, Novak, Osowski

Discussion Topics:

- State funding for Schools across ND
- Per Pupil funding breakdown
- State funding private schools

10:45 a.m. Representative Hauck moved to adopt Amendment. 25.1055.02002 (Testimony #36668)

10:45 a.m. Representative Marschall seconded the motion

10:50 a.m. Adam Tescher, School Finance Director, North Dakota Public Instruction, testified in favor.

Representatives	Vote
Representative Pat D. Heinert	Y
Representative Cynthia Schreiber-Beck	Y
Representative Liz Conmy	N
Representative Laurie Beth Hager	N
Representative Patrick R. Hatlestad	N
Representative Dori Hauck	Y
Representative Matthew Heilman	Y
Representative Jim Jonas	Y
Representative Donald W. Longmuir	N
Representative Roger A. Maki	N
Representative Andrew Marschall	Y
Representative Desiree Morton	Y
Representative Anna S. Novak	N
Representative Doug Osowski	Y

Motion Failed: 7-7-0

11:00 a.m. Chairman Heinert closed the hearing.

Madaline Cooper, Committee Clerk for Leah Kuball, Committee Clerk by Risa Berube

25.1055.02002
Title.

Prepared by the Legislative Council staff for Representative Koppelman
February 7, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

HOUSE BILL NO. 1540

Introduced by

Representatives Koppelman, Hauck, J. Johnson, Marschall, Morton, Rohr, Steiner

Senators Clemens, Cory, Gerhardt, Wobbema, Boehm

A BILL for an Act to create and enact a new chapter to title 15.1 of the North Dakota Century Code, relating to an education savings account program; to provide an appropriation; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new chapter to title 15.1 of the North Dakota Century Code is created and enacted as follows:

Definitions.

As used in this chapter:

1. "Administrator" means an organization registered by the secretary of state to do business in North Dakota and designated by the Bank of North Dakota to ~~implement~~assist in the implementation of this chapter.
2. "Department" means the department of public instruction.
3. "Education service provider" means an individual or organization approved to provide qualified education services. The term does not include a participating school.
4. "Eligible postsecondary institution" means a community college, an accredited university, or an accredited private postsecondary institution.
5. "Eligible student" means:
   a. An elementary or secondary student who is a resident of this state and is eligible to attend a public school; or

b. A student who has received a scholarship under the education savings account program until the student graduates high school or reaches twenty-one years of age, regardless of household income.

6. "Parent" means a resident of this state who is a parent, guardian, custodian, or other person with the authority to act on behalf of the child.

7. "Participating school" means any ~~private~~nonpublic school providing education to elementary students, secondary students, or both that has notified the administrator of the school's intention to participate in the education savings account program and comply with the education savings account program requirements under this chapter and related administrative rules.

8. "Private tutoring" means qualified tutoring services approved to receive payment under this chapter.

Account deposits - Parent agreement - Qualified expenses - Enrollment.

1. ~~The~~For the 2026-27 school year, the Bank of North Dakota annually shall deposit into each education savings account forty percent of the dollar amount under subsection 3 of section 15.1-27-04.1 for the respective year.

2. Beginning with the 2027-28 school year, the Bank of North Dakota annually shall deposit into ~~an~~each education savings account eighty percent of the dollar amount under subsection 3 of section 15.1-27-04.1 for the respective year.

~~2.~~3. The department shall give priority access to the education savings account program to the sibling of a student already enrolled in the education savings account program.

~~3.~~4. A parent of an eligible student qualifies for a state grant to the child's education savings account if the parent signs an agreement with the department promising:

a. To provide an education for the eligible student in at least the subjects of reading, grammar, mathematics, social studies, and science;

b. Not to enroll the parent's eligible student in a public school or supervise home education under chapter 15.1-23 for the eligible student;

c. To use education savings account program funds solely for qualified expenses under this chapter;

d. To comply with the requirements outlined in this chapter and any related rules;

e. If the participating student is a child with a disability, to acknowledge the parent has received information from the department and understands participation in the education savings account program qualifies as a parental placement of the parent's child under the Individuals with Disabilities Education Act [Pub. L. 108-446; 20 U.S.C. 1412(a)(10)(A)]; and

f. To notify the department if the parent's student terminates participation in the education savings account program and enrolls in a public school.

~~4.~~5. A parent participating in the education savings account program shall use the funds deposited in the eligible student's account for the following qualifying expenses to educate the eligible student~~:~~:

a. Tuition and fees at a participating school;

b. A textbook required by a participating school;

c. Payment for private tutoring or to another educational service provider;

d. Payment for purchase of curriculum;

e. Tuition or fees for a nonpublic online learning program;

f. Fees for national norm-referenced examinations, advanced placement examinations or similar courses, and any examinations related to college or university admission;

g. Computer hardware, software, or other technological device that is used solely for a student's educational needs and approved by the department or a licensed physician, provided hardware purchased with education savings account funds may not be resold within one year of purchase;

h. Reasonable fees for transportation paid to a fee-for-service transportation provider for the student to travel to and from an education service provider;

i. Tuition and fees at an eligible postsecondary institution; ~~or~~

j. A textbook required for college or university courses; or

k. Upon graduation, a transfer to a North Dakota education savings plan under section 6-09-38.

~~5.~~6. A participating school, private tutor, eligible postsecondary institution, or other education service provider may not refund, rebate, or share a student's grant with a parent or the student in any manner.

~~6.~~7. A parent may make a payment for the cost of educational programs and services not covered by the funds in the child's account.

~~7. A participating student must be counted in the enrollment figures for the student's school district of residence for the purposes of calculating state aid to the school district of residence. The funds needed for a grant to an education savings account must be subtracted from the state school aid payable to the student's school district of residence and forwarded to the Bank of North Dakota for deposit in the education savings account. Twenty percent of the dollar amount under subsection 3 of section 15.1-27-04.1 for the respective year per grant must be paid to the school district of residence.~~

8. The state treasurer annually shall transfer the funds required for education savings accounts from the general fund to the Bank of North Dakota for quarterly deposit in each education savings account.

9. Funds, not to exceed twenty-five percent of the amount under subsection 1, not expended over the course of a school year may be carried forward for use in the following school year for a child who remains in the education savings account program. If a parent removes a child from the education savings account program before the end of the school year, any remaining funds from that school year must be returned to the state and be allocated to fund other accounts. A student may transfer to another nonpublic school or home school and retain the funds in the education savings account.

~~9.~~10. Funds deposited in an education savings account do not constitute taxable income to the parent or the education savings account student.

Bank of North Dakota - Administrator - Administration.

1. The Bank of North Dakota shall:
   a. Qualify private financial management firms to manage and administer education savings accounts.
   b. Conduct or contract for the auditing of accounts and, at a minimum, conduct random audits of accounts on an annual basis. The Bank of North Dakota may make a parent of an eligible student ineligible for the education savings account program if the parent substantially misuses the funds in the account.

c. Refer cases of substantial misuse of funds to law enforcement for investigation if evidence of fraudulent use of an account is obtained.

d. Make payments to eligible students' education savings accounts on a quarterly basis.

e. Adopt rules and procedures as necessary for the administration of the education savings account program.

2. The administrator shall provide to the parent of a participating student a written explanation of the allowable uses of education saving accounts, the responsibilities of the parent, and the duties of the administrator.

Participating schools - Accountability standards.

1. To ensure students are treated fairly and kept safe, each participating ~~private~~nonpublic school shall:

a. Comply with all health and safety laws or codes that apply to ~~private~~nonpublic schools;

b. Obtain certification of approval under section 15.1-06-06.1;

c. Hold a valid occupancy permit if required by the school's municipality; and

~~c.~~d. Certify the school complies with the nondiscrimination policies under [42 U.S.C. 1981]; ~~and~~

~~d. Conduct criminal background checks on employees. The participating school shall exclude from employment any individual who:~~

~~(1) Is not permitted by state law to work in a private school; and~~

~~(2) Might reasonably pose a threat to the safety of students.~~

2. To ensure funds are spent appropriately, a participating school shall:

a. Provide a parent with a receipt for all qualifying expenses at the school.

b. Demonstrate the school's financial viability, if the school is to receive fifty thousand dollars or more during the school year, by filing with the administrator before the start of the school year:

(1) A surety bond payable to the state in an amount equal to the aggregate amount of the funds from education savings accounts expected to be paid during the school year from students admitted at the participating school; or

(2) Financial information demonstrating the school has the ability to pay an aggregate amount equal to the amount of the funds from education savings accounts expected to be paid during the school year to students admitted to the participating school.

3. To allow parents and taxpayers to measure the achievements of the education savings account program:

a. Parents shall ensure:

(1) The eligible student annually takes the state achievement tests, nationally norm-referenced tests, or equivalent tests that measure learning gains in mathematics and language arts, and provide for value-added assessment. If a parent selects the state achievement test, the department shall pay associated costs and materials;

(2) The results of the tests are provided to the department or an organization chosen by the state on an annual basis;

(3) The student information is reported in a way that allows the department to aggregate data by grade level, gender, family income level, and race; and

(4) The department, or an organization chosen by the department, is informed of the eligible student's graduation from high school.

b. The department, or an organization chosen by the department, shall:

(1) Ensure compliance with all student privacy laws;

(2) Collect all test results;

(3) Provide the test results, associated learning gains, and graduation rates to the public on the department's website after the third year of test and graduation-related data collection. The findings must be aggregated by the student's grade level, gender, family income level, number of years of participation in the education savings account program, and race;

(4) Provide rates for high school graduation, college attendance, and college graduation for participating students to the public on the department's website after the third year of test and test-related data collection; and

(5) Administer an annual parental satisfaction survey requesting each parent of a student receiving an education savings account program grant indicate

the number of years the child has participated in the education savings account program and express the parent's:

(a) Satisfaction with the education savings account program; and

(b) Opinions on other topics, items, or issues that may indicate the effectiveness of the education savings account program.

4. A participating ~~private~~nonpublic school or other education service provider is autonomous and not an agent of the state or federal government and:

a. The department may not regulate the educational program of a participating ~~private~~nonpublic school or education service provider that accepts funds from an education savings account, except as ~~otherwise~~ provided ~~by law~~under this chapter and chapter 15.1-23;

b. The creation of the education savings account program does not expand the regulatory authority of the state, its officers, or a school district to impose an additional regulation of ~~private~~nonpublic schools or education service providers beyond the regulations necessary to enforce the requirements of the education savings account program; and

c. Participating ~~private~~nonpublic schools and education service providers must have the freedom to provide for the educational needs of the school's students without governmental control.

Department of public instruction - Administrator - Duties.

1. The administrator shall:

a. Ensure eligible students and parents are informed annually of the schools that will be participating in the education savings account program.

b. Create a standard form a parent of an eligible student may submit to establish a student's eligibility for the education savings account program. The administrator shall ensure the application is readily available to interested families through various sources, including the department's website.

c. Accept applications on a year-round basis and shall approve applications in a reasonable time frame.

d. Execute a multimedia marketing program targeting eligible families, especially those below the state's median household income, informing the families about the education savings account program and how to apply.

e. Establish a web and phone-based support system providing parents with education savings account program application support and ongoing account maintenance support.

2. The department may bar a participating school or education service provider from the education savings account program if the department determines the participating school or education provider has:

a. Routinely failed to comply with the accountability standards established under this chapter; or

b. Failed to provide the eligible student with the educational services funded by the education savings account.

3. If the department bars a participating school or education provider from the education savings account program, the department shall notify eligible students and parents of the decision as quickly as possible. A parent may appeal a decision of the department under chapter 28-32.

4. The department shall adopt rules and procedures as necessary for the administration of the education savings account program.

School districts of residence - Duties.

The school district of residence:

1. Shall provide a participating school or education provider that has admitted an eligible student under this chapter with a complete copy of the student's school records, while complying with the Family Educational Rights and Privacy Act of 1974 [20 U.S.C. Section 1232(g)].

2. May provide transportation for an eligible student to and from the participating school or education provider under the same conditions as the school district of residence is required to provide transportation for other resident students to ~~private~~nonpublic schools. The school district of residence qualifies for state transportation aid for each student transported.

SECTION 2. APPROPRIATION - BANK OF NORTH DAKOTA - EDUCATION SAVINGS ACCOUNT PROGRAM. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $40,000,000, or so much of the sum as may be necessary, to the Bank of North Dakota for the purpose of funding the education savings account program beginning in the school year 2026-27, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 3. EFFECTIVE DATE. Section 1 of this Act becomes effective on July 1, 2026.

2025 HOUSE STANDING COMMITTEE MINUTES

Education Committee
Coteau AB Room, State Capitol

HB 1540
2/10/2025 p.m.

Relating to an education savings account program.

2:13 p.m. Chairman Heinert called the meeting to order.

Members Present: Chairman Heinert, Vice Chairman Schreiber- Beck, Representatives, Conmy, Hager, Hatlestad, Hauck, Heilman, Jonas, Longmuir, Maki, Marchall, Morton, Novak, Osowski

Discussion Topics:

- Funding for education saving account
- Excess fund transfer location

2:12 p.m. Representative Hauck Proposed removing lines 22 and 23 on page 3 of the amended version of the bill.

2:15 p.m. Representative Hauck rescinded the motion.

2:15 p.m. Representative Hauck moved amendment LC#25.1055.02002 while removing lines 27 and 28 on page 3. previous testimony #36668

2:15 p.m. Representative Morton seconded the motion.

2:23 p.m. Representative Hauck rescinded her motion.

2:23 p.m. Representative Hauck motioned a Do Pass on LC#25.1055.02002 and on page 3 remove lines 27 and 28. Page 5 add 'upon Graduation a transfer to the Bank of North Dakota Education savings plan with any remaining funds.' #36668

2:23 p.m. Representative Morton seconded the motion.

Representatives	Vote
Representative Pat D. Heinert	Y
Representative Cynthia Schreiber-Beck	Y
Representative Liz Conmy	Y
Representative LaurieBeth Hager	N
Representative Patrick R. Hatlestad	Y
Representative Dori Hauck	Y
Representative Matthew Heilman	Y
Representative Jim Jonas	Y
Representative Donald W. Longmuir	N
Representative Roger A. Maki	Y
Representative Andrew Marschall	Y
Representative Desiree Morton	Y
Representative Anna S. Novak	Y
Representative Doug Osowski	Y

Motion carried: 12-2-0.

2:26 p.m. Representative Hauck motioned Do Pass as Amended and Rerefer.

2:26 p.m. Representative Morton seconded the motion.

Representatives	Vote
Representative Pat D. Heinert	N
Representative Cynthia Schreiber-Beck	N
Representative Liz Conmy	N
Representative LaurieBeth Hager	N
Representative Patrick R. Hatlestad	N
Representative Dori Hauck	Y
Representative Matthew Heilman	Y
Representative Jim Jonas	N
Representative Donald W. Longmuir	N
Representative Roger A. Maki	Y
Representative Andrew Marschall	Y
Representative Desiree Morton	Y
Representative Anna S. Novak	N
Representative Doug Osowski	Y

Motion Failed: 6-8-0.

2:28 p.m. Representative Schreiber-Beck Do Not Pass as Amended.

2:28 pm. Representative Conmy seconded the motion

Representatives	Vote
Representative Pat D. Heinert	Y
Representative Cynthia Schreiber-Beck	Y
Representative Liz Conmy	Y
Representative LaurieBeth Hager	N
Representative Patrick R. Hatlestad	Y
Representative Dori Hauck	Y
Representative Matthew Heilman	Y
Representative Jim Jonas	Y
Representative Donald W. Longmuir	N
Representative Roger A. Maki	Y
Representative Andrew Marschall	Y
Representative Desiree Morton	Y
Representative Anna S. Novak	Y
Representative Doug Osowski	Y

Motion carried: 8-6-0

Bill carrier: Representative Conmy

2:30 p.m. Chairman Heinert closed the hearing.

Madaline Cooper, Committee Cleark for Leah Kuball, Committee Clerk

Adopted by the Education Committee

February 10, 2025

2-10-25
HB3 1 of 9

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

HOUSE BILL NO. 1540

Introduced by

Representatives Koppelman, Hauck, J. Johnson, Marschall, Morton, Rohr, Steiner

Senators Clemens, Cory, Gerhardt, Wobbema, Boehm

A BILL for an Act to create and enact a new chapter to title 15.1 of the North Dakota Century Code, relating to an education savings account program; to provide an appropriation; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new chapter to title 15.1 of the North Dakota Century Code is created and enacted as follows:

Definitions.

As used in this chapter:

1. "Administrator" means an organization registered by the secretary of state to do business in North Dakota and designated by the Bank of North Dakota to ~~implement~~assist in the implementation of this chapter.
2. "Department" means the department of public instruction.
3. "Education service provider" means an individual or organization approved to provide qualified education services. The term does not include a participating school.
4. "Eligible postsecondary institution" means a community college, an accredited university, or an accredited private postsecondary institution.
5. "Eligible student" means:
   a. An elementary or secondary student who is a resident of this state and is eligible to attend a public school; or

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b. A student who has received a scholarship under the education savings account program until the student graduates high school or reaches twenty-one years of age, regardless of household income.

6. "Parent" means a resident of this state who is a parent, guardian, custodian, or other person with the authority to act on behalf of the child.

7. "Participating school" means any ~~private~~nonpublic school providing education to elementary students, secondary students, or both that has notified the administrator of the school's intention to participate in the education savings account program and comply with the education savings account program requirements under this chapter and related administrative rules.

8. "Private tutoring" means qualified tutoring services approved to receive payment under this chapter.

Account deposits - Parent agreement - Qualified expenses - Enrollment.

1. ~~The~~For the 2026-27 school year, the Bank of North Dakota annually shall deposit into each education savings account forty percent of the dollar amount under subsection 3 of section 15.1-27-04.1 for the respective year.

2. Beginning with the 2027-28 school year, the Bank of North Dakota annually shall deposit into ~~an~~each education savings account eighty percent of the dollar amount under subsection 3 of section 15.1-27-04.1 for the respective year.

~~2.~~3. The department shall give priority access to the education savings account program to the sibling of a student already enrolled in the education savings account program.

~~3.~~4. A parent of an eligible student qualifies for a state grant to the child's education savings account if the parent signs an agreement with the department promising:

a. To provide an education for the eligible student in at least the subjects of reading, grammar, mathematics, social studies, and science;

b. Not to enroll the parent's eligible student in a public school or supervise home education under chapter 15.1-23 for the eligible student;

c. To use education savings account program funds solely for qualified expenses under this chapter;

d. To comply with the requirements outlined in this chapter and any related rules;

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e. If the participating student is a child with a disability, to acknowledge the parent has received information from the department and understands participation in the education savings account program qualifies as a parental placement of the parent's child under the Individuals with Disabilities Education Act [Pub. L. 108-446; 20 U.S.C. 1412(a)(10)(A)]; and

f. To notify the department if the parent's student terminates participation in the education savings account program and enrolls in a public school.

~~4.~~5. A parent participating in the education savings account program shall use the funds deposited in the eligible student's account for the following qualifying expenses to educate the eligible student~~:~~:

a. Tuition and fees at a participating school;

b. A textbook required by a participating school;

c. Payment for private tutoring or to another educational service provider;

d. Payment for purchase of curriculum;

e. Tuition or fees for a nonpublic online learning program;

f. Fees for national norm-referenced examinations, advanced placement examinations or similar courses, and any examinations related to college or university admission;

g. Computer hardware, software, or other technological device that is used solely for a student's educational needs and approved by the department or a licensed physician, provided hardware purchased with education savings account funds may not be resold within one year of purchase;

h. Reasonable fees for transportation paid to a fee-for-service transportation provider for the student to travel to and from an education service provider;

i. Tuition and fees at an eligible postsecondary institution; ~~or~~

j. A textbook required for college or university courses.

~~5.~~6. A participating school, private tutor, eligible postsecondary institution, or other education service provider may not refund, rebate, or share a student's grant with a parent or the student in any manner.

~~6.~~7. A parent may make a payment for the cost of educational programs and services not covered by the funds in the child's account.

~~7. A participating student must be counted in the enrollment figures for the student's school district of residence for the purposes of calculating state aid to the school district of residence. The funds needed for a grant to an education savings account must be subtracted from the state school aid payable to the student's school district of residence and forwarded to the Bank of North Dakota for deposit in the education savings account. Twenty percent of the dollar amount under subsection 3 of section 15.1-27-04.1 for the respective year per grant must be paid to the school district of residence.~~

8. The state treasurer annually shall transfer the funds required for education savings accounts from the general fund to the Bank of North Dakota for quarterly deposit in each education savings account.

9. Funds, not to exceed twenty-five percent of the amount under subsection 1, not expended over the course of a school year may be carried forward for use in the following school year for a child who remains in the education savings account program. If a parent removes a child from the education savings account program before the end of the school year, any remaining funds from that school year must be returned to the state and be allocated to fund other accounts. A student may transfer to another nonpublic school or home school and retain the funds in the education savings account.

~~9.~~10. Funds deposited in an education savings account do not constitute taxable income to the parent or the education savings account student.

Bank of North Dakota - Administrator - Administration.

1. The Bank of North Dakota shall:
   a. Qualify private financial management firms to manage and administer education savings accounts.
   b. Conduct or contract for the auditing of accounts and, at a minimum, conduct random audits of accounts on an annual basis. The Bank of North Dakota may make a parent of an eligible student ineligible for the education savings account program if the parent substantially misuses the funds in the account.
   c. Refer cases of substantial misuse of funds to law enforcement for investigation if evidence of fraudulent use of an account is obtained.

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d. Make payments to eligible students' education savings accounts on a quarterly basis.

e. Adopt rules and procedures as necessary for the administration of the education savings account program.

f. Upon the student's graduation from high school, the superintendent of public instruction shall close the student's account and transfer any remaining money in the account to the general fund in the state treasury.

2. The administrator shall provide to the parent of a participating student a written explanation of the allowable uses of education saving accounts, the responsibilities of the parent, and the duties of the administrator.

Participating schools - Accountability standards.

1. To ensure students are treated fairly and kept safe, each participating ~~private~~nonpublic school shall:

a. Comply with all health and safety laws or codes that apply to ~~private~~nonpublic schools;

b. Obtain certification of approval under section 15.1-06-06.1;

c. Hold a valid occupancy permit if required by the school's municipality; and

~~c.~~d. Certify the school complies with the nondiscrimination policies under [42 U.S.C. 1981]~~; and~~

~~d. Conduct criminal background checks on employees. The participating school shall exclude from employment any individual who:~~

~~(1) Is not permitted by state law to work in a private school; and~~

~~(2) Might reasonably pose a threat to the safety of students.~~

2. To ensure funds are spent appropriately, a participating school shall:

a. Provide a parent with a receipt for all qualifying expenses at the school.

b. Demonstrate the school's financial viability, if the school is to receive fifty thousand dollars or more during the school year, by filing with the administrator before the start of the school year:

(1) A surety bond payable to the state in an amount equal to the aggregate amount of the funds from education savings accounts expected to be paid during the school year from students admitted at the participating school; or

(2) Financial information demonstrating the school has the ability to pay an aggregate amount equal to the amount of the funds from education savings accounts expected to be paid during the school year to students admitted to the participating school.

3. To allow parents and taxpayers to measure the achievements of the education savings account program:

a. Parents shall ensure:

(1) The eligible student annually takes the state achievement tests, nationally norm-referenced tests, or equivalent tests that measure learning gains in mathematics and language arts, and provide for value-added assessment. If a parent selects the state achievement test, the department shall pay associated costs and materials;

(2) The results of the tests are provided to the department or an organization chosen by the state on an annual basis;

(3) The student information is reported in a way that allows the department to aggregate data by grade level, gender, family income level, and race; and

(4) The department, or an organization chosen by the department, is informed of the eligible student's graduation from high school.

b. The department, or an organization chosen by the department, shall:

(1) Ensure compliance with all student privacy laws;

(2) Collect all test results;

(3) Provide the test results, associated learning gains, and graduation rates to the public on the department's website after the third year of test and graduation-related data collection. The findings must be aggregated by the student's grade level, gender, family income level, number of years of participation in the education savings account program, and race;

(4) Provide rates for high school graduation, college attendance, and college graduation for participating students to the public on the department's website after the third year of test and test-related data collection; and

(5) Administer an annual parental satisfaction survey requesting each parent of a student receiving an education savings account program grant indicate

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the number of years the child has participated in the education savings account program and express the parent's:

(a) Satisfaction with the education savings account program; and

(b) Opinions on other topics, items, or issues that may indicate the effectiveness of the education savings account program.

4. A participating ~~private~~nonpublic school or other education service provider is autonomous and not an agent of the state or federal government and:

a. The department may not regulate the educational program of a participating ~~private~~nonpublic school or education service provider that accepts funds from an education savings account, except as ~~otherwise~~ provided ~~by law~~under this chapter and chapter 15.1-23;

b. The creation of the education savings account program does not expand the regulatory authority of the state, its officers, or a school district to impose an additional regulation of ~~private~~nonpublic schools or education service providers beyond the regulations necessary to enforce the requirements of the education savings account program; and

c. Participating ~~private~~nonpublic schools and education service providers must have the freedom to provide for the educational needs of the school's students without governmental control.

Department of public instruction - Administrator - Duties.

1. The administrator shall:

a. Ensure eligible students and parents are informed annually of the schools that will be participating in the education savings account program.

b. Create a standard form a parent of an eligible student may submit to establish a student's eligibility for the education savings account program. The administrator shall ensure the application is readily available to interested families through various sources, including the department's website.

c. Accept applications on a year-round basis and shall approve applications in a reasonable time frame.

d. Execute a multimedia marketing program targeting eligible families, especially those below the state's median household income, informing the families about the education savings account program and how to apply.

e. Establish a web and phone-based support system providing parents with education savings account program application support and ongoing account maintenance support.

2. The department may bar a participating school or education service provider from the education savings account program if the department determines the participating school or education provider has:

a. Routinely failed to comply with the accountability standards established under this chapter; or

b. Failed to provide the eligible student with the educational services funded by the education savings account.

3. If the department bars a participating school or education provider from the education savings account program, the department shall notify eligible students and parents of the decision as quickly as possible. A parent may appeal a decision of the department under chapter 28-32.

4. The department shall adopt rules and procedures as necessary for the administration of the education savings account program.

School districts of residence - Duties.

The school district of residence:

1. Shall provide a participating school or education provider that has admitted an eligible student under this chapter with a complete copy of the student's school records, while complying with the Family Educational Rights and Privacy Act of 1974 [20 U.S.C. Section 1232(g)].

2. May provide transportation for an eligible student to and from the participating school or education provider under the same conditions as the school district of residence is required to provide transportation for other resident students to ~~private~~nonpublic schools. The school district of residence qualifies for state transportation aid for each student transported.

HB 9009

SECTION 2. APPROPRIATION - BANK OF NORTH DAKOTA - EDUCATION SAVINGS ACCOUNT PROGRAM. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $40,000,000, or so much of the sum as may be necessary, to the Bank of North Dakota for the purpose of funding the education savings account program beginning in the school year 2026-27, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 3. EFFECTIVE DATE. Section 1 of this Act becomes effective on July 1, 2026.

REPORT OF STANDING COMMITTEE
HB 1540

Education Committee (Rep. Heinert, Chairman) recommends **AMENDMENTS (25.1055.02003)** and when so amended, recommends **DO NOT PASS** (8 YEAS, 6 NAYS, 0 ABSENT AND NOT VOTING). HB 1540 was placed on the Sixth order on the calendar.

2025 HOUSE APPROPRIATIONS

HB 1540

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee
Roughrider Room, State Capitol

HB 1540
2/20/2025

Relating to an education savings account program; to provide an appropriation; and to provide an effective date.

4:25 p.m. Chairman Vigesaa called the meeting to order.

Members present: Chairman Vigesaa, Vice Chairman Kempenich, Representatives Anderson, Berg, Bosch, Fisher, Hanson, Louser, Martinson, Meier, Mitskog, Monson, Murphy, Nathe, Nelson, O'Brien, Pyle, Richter, Sanford, Stemen, Swiontek, Wagner

Member absent: Representative Brandenburg

Discussion Topics:

- Fund for non-public schools
- General funds

4:26 p.m. Representative Heinert introduced the bill.

4:36 p.m. Representative B. Koppelman explained the amendment and answered questions for the committee #38160 and #38159.

5:03 p.m. Representative Kempenich moved to adopt amendment LC #25.1055.03002.

5:04 p.m. Representative Meier seconded the motion.

5:04 p.m. Roll Call Vote

Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	Y
Representative Bert Anderson	Y
Representative Mike Berg	Y
Representative Glen Bosch	Y
Representative Mike Brandenburg	AB
Representative Jay Fisher	Y
Representative Karla Rose Hanson	Y
Representative Scott Louser	AB
Representative Bob Martinson	Y
Representative Lisa Meier	Y
Representative Alisa Mitskog	N
Representative David Monson	Y
Representative Eric J. Murphy	Y

Representative Mike Nathe	Y
Representative Jon O. Nelson	N
Representative Emily O'Brien	Y
Representative Brandy L. Pyle	Y
Representative David Richter	Y
Representative Mark Sanford	N
Representative Gregory Stemen	Y
Representative Steve Swiontek	Y
Representative Scott Wagner	Y

5:04 p.m. Motion passed 18-3-2.

5:06 p.m. Representative Richter moved to further amend to drop from 50% to 40%.

5:06 p.m. Representative Monson seconded the motion to further amend.

5:06 a.m. Roll Call Vote

Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	Y
Representative Bert Anderson	N
Representative Mike Berg	N
Representative Glen Bosch	N
Representative Mike Brandenburg	AB
Representative Jay Fisher	N
Representative Karla Rose Hanson	N
Representative Scott Louser	AB
Representative Bob Martinson	N
Representative Lisa Meier	N
Representative Alisa Mitskog	N
Representative David Monson	Y
Representative Eric J. Murphy	N
Representative Mike Nathe	N
Representative Jon O. Nelson	N
Representative Emily O'Brien	N
Representative Brandy L. Pyle	N
Representative David Richter	Y
Representative Mark Sanford	N
Representative Gregory Stemen	Y
Representative Steve Swiontek	N
Representative Scott Wagner	N

5:06 p.m. Motion failed 5-16-2.

5:08 p.m. Chairman Vigesaa closed the meeting.

Krystal Eberle for Risa Berube, Committee Clerk

Prepared by the Legislative Council
staff for Representative Koppelman
February 19, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO
FIRST ENGROSSMENT

ENGROSSED HOUSE BILL NO. 1540

Introduced by

Representatives Koppelman, Hauck, J. Johnson, Marschall, Morton, Rohr, Steiner

Senators Clemens, Cory, Gerhardt, Wobbema, Boehm

A BILL for an Act to create and enact a new chapter to title 15.1 of the North Dakota Century Code, relating to an education savings account program; to provide an appropriation; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new chapter to title 15.1 of the North Dakota Century Code is created and enacted as follows:

Definitions.

As used in this chapter:

1. "Administrator" means an organization registered by the secretary of state to do business in North Dakota and designated by the Bank of North Dakota to assist in the implementation of this chapter.
2. "Department" means the department of public instruction.
3. "Education service provider" means an individual or organization approved to provide qualified education services. The term does not include a participating school.
4. "Eligible postsecondary institution" means a community college, an accredited university, or an accredited private postsecondary institution.
5. "Eligible student" means:
   a. An elementary or secondary student who is a resident of this state and is eligible to attend a public school; or

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b. A student who has received a scholarship under the education savings account program until the student graduates high school or reaches twenty-one years of age, regardless of household income.

6. "Parent" means a resident of this state who is a parent, guardian, custodian, or other person with the authority to act on behalf of the child.

7. "Participating school" means any nonpublic school providing education to elementary students, secondary students, or both that has notified the administrator of the school's intention to participate in the education savings account program and comply with the education savings account program requirements under this chapter and related administrative rules.

8. "Private tutoring" means qualified tutoring services approved to receive payment under this chapter.

Account deposits - Parent agreement - Qualified expenses - Enrollment.

1. ~~For~~Beginning with the 2026-27 school year, the Bank of North Dakota annually shall deposit into each education savings account ~~forty~~fifty percent of the ~~dollar~~statewide average amount distributed per student under subsection ~~3~~5 of section 15.1-27-04.1 for the ~~respective~~previous year.

2. ~~Beginning with the 2027-28 school year, the Bank of North Dakota annually shall deposit into each education savings account eighty percent of the dollar amount under subsection 3 of section 15.1-27-04.1 for the respective year.~~

~~3.~~ The department shall give priority access to the education savings account program to the sibling of a student already enrolled in the education savings account program.

~~4.~~3. A parent of an eligible student qualifies for a state grant to the child's education savings account if the parent signs an agreement with the department promising:

a. To provide an education for the eligible student in at least the subjects of reading, grammar, mathematics, social studies, and science;

b. Not to enroll the parent's eligible student in a public school or supervise home education under chapter 15.1-23 for the eligible student;

c. To use education savings account program funds solely for qualified expenses under this chapter;

d. To comply with the requirements outlined in this chapter and any related rules;

e. If the participating student is a child with a disability, to acknowledge the parent has received information from the department and understands participation in the education savings account program qualifies as a parental placement of the parent's child under the Individuals with Disabilities Education Act [Pub. L. 108-446; 20 U.S.C. 1412(a)(10)(A)]; and

f. To notify the department if the parent's student terminates participation in the education savings account program and enrolls in a public school.

~~5.~~4. A parent participating in the education savings account program shall use the funds deposited in the eligible student's account for any of the following qualifying expenses to educate the eligible student:

a. Tuition and fees at a participating school;

b. A textbook required by a participating school;

c. Payment for private tutoring or to another educational service provider;

d. Payment for purchase of curriculum;

e. Tuition or fees for a nonpublic online learning program;

f. Fees for national norm-referenced examinations, advanced placement examinations or similar courses, and any examinations related to college or university admission;

g. Computer hardware, software, or other technological device that is used solely for a student's educational needs and approved by the department or a licensed physician, provided hardware purchased with education savings account funds may not be resold within one year of purchase;

h. Reasonable fees for transportation paid to a fee-for-service transportation provider for the student to travel to and from an education service provider;

i. Tuition and fees at an eligible postsecondary institution; and

j. A textbook required for college or university courses.

~~6.~~5. A participating school, private tutor, eligible postsecondary institution, or other education service provider may not refund, rebate, or share a student's grant with a parent or the student in any manner.

~~7.~~6. A parent may make a payment for the cost of educational programs and services not covered by the funds in the child's account.

~~8.~~7. The state treasurer annually shall transfer the funds required for education savings accounts from the general fund to the Bank of North Dakota for quarterly deposit in each education savings account.

~~9.~~8. Funds, not to exceed twenty-five percent of the amount under subsection 1, not expended over the course of a school year may be carried forward for use in the following school year for a child who remains in the education savings account program. If a parent removes a child from the education savings account program before the end of the school year, any remaining funds from that school year must be returned to the state and be allocated to fund other accounts. A student may transfer to another nonpublic school or home school and retain the funds in the education savings account.

~~10.~~9. Funds deposited in an education savings account do not constitute taxable income to the parent or the education savings account student.

Bank of North Dakota - Administrator - Administration.

1. The Bank of North Dakota shall:
   a. Qualify private financial management firms to manage and administer education savings accounts.
   b. Conduct or contract for the auditing of accounts and, at a minimum, conduct random audits of accounts on an annual basis. The Bank of North Dakota may make a parent of an eligible student ineligible for the education savings account program if the parent substantially misuses the funds in the account.
   c. Refer cases of substantial misuse of funds to law enforcement for investigation if evidence of fraudulent use of an account is obtained.
   d. Make payments to eligible students' education savings accounts on a quarterly basis.
   e. Adopt rules and procedures as necessary for the administration of the education savings account program.
   f. Upon the student's graduation from high school, the superintendent of public instruction shall close the student's account and transfer any remaining money in the account to the general fund in the state treasury.

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2. The administrator shall provide to the parent of a participating student a written explanation of the allowable uses of education saving accounts, the responsibilities of the parent, and the duties of the administrator.

Participating schools - Accountability standards.

1. To ensure students are treated fairly and kept safe, each participating nonpublic school shall:
   a. Comply with all health and safety laws or codes that apply to nonpublic schools;
   b. Obtain certification of approval under section 15.1-06-06.1;
   c. Hold a valid occupancy permit if required by the school's municipality; and
   d. Certify the school complies with the nondiscrimination policies under [42 U.S.C. 1981].
2. To ensure funds are spent appropriately, a participating school shall:
   a. Provide a parent with a receipt for all qualifying expenses at the school.
   b. Demonstrate the school's financial viability, if the school is to receive fifty thousand dollars or more during the school year, by filing with the administrator before the start of the school year:
      (1) A surety bond payable to the state in an amount equal to the aggregate amount of the funds from education savings accounts expected to be paid during the school year from students admitted at the participating school; or
      (2) Financial information demonstrating the school has the ability to pay an aggregate amount equal to the amount of the funds from education savings accounts expected to be paid during the school year to students admitted to the participating school.
3. To allow parents and taxpayers to measure the achievements of the education savings account program:
   a. Parents shall ensure:
      (1) The eligible student annually takes the state achievement tests, nationally norm-referenced tests, or equivalent tests that measure learning gains in mathematics and language arts, and provide for value-added assessment. If a parent selects the state achievement test, the department shall pay associated costs and materials;

(2) The results of the tests are provided to the department or an organization chosen by the state on an annual basis;

(3) The student information is reported in a way that allows the department to aggregate data by grade level, gender, family income level, and race; and

(4) The department, or an organization chosen by the department, is informed of the eligible student's graduation from high school.

b. The department, or an organization chosen by the department, shall:

(1) Ensure compliance with all student privacy laws;

(2) Collect all test results;

(3) Provide the test results, associated learning gains, and graduation rates to the public on the department's website after the third year of test and graduation-related data collection. The findings must be aggregated by the student's grade level, gender, family income level, number of years of participation in the education savings account program, and race;

(4) Provide rates for high school graduation, college attendance, and college graduation for participating students to the public on the department's website after the third year of test and test-related data collection; and

(5) Administer an annual parental satisfaction survey requesting each parent of a student receiving an education savings account program grant indicate the number of years the child has participated in the education savings account program and express the parent's:

(a) Satisfaction with the education savings account program; and

(b) Opinions on other topics, items, or issues that may indicate the effectiveness of the education savings account program.

4. A participating nonpublic school or other education service provider is autonomous and not an agent of the state or federal government and:

a. The department may not regulate the educational program of a participating nonpublic school or education service provider that accepts funds from an education savings account, except as provided under this chapter and chapter 15.1-23;

b. The creation of the education savings account program does not expand the regulatory authority of the state, its officers, or a school district to impose an additional regulation of nonpublic schools or education service providers beyond the regulations necessary to enforce the requirements of the education savings account program; and

c. Participating nonpublic schools and education service providers must have the freedom to provide for the educational needs of the school's students without governmental control.

Department of public instruction - Administrator - Duties.

1. The administrator shall:

a. Ensure eligible students and parents are informed annually of the schools that will be participating in the education savings account program.

b. Create a standard form a parent of an eligible student may submit to establish a student's eligibility for the education savings account program. The administrator shall ensure the application is readily available to interested families through various sources, including the department's website.

c. Accept applications on a year-round basis and shall approve applications in a reasonable time frame.

d. Execute a multimedia marketing program targeting eligible families, especially those below the state's median household income, informing the families about the education savings account program and how to apply.

e. Establish a web and phone-based support system providing parents with education savings account program application support and ongoing account maintenance support.

2. The department may bar a participating school or education service provider from the education savings account program if the department determines the participating school or education provider has:

a. Routinely failed to comply with the accountability standards established under this chapter; or

b. Failed to provide the eligible student with the educational services funded by the education savings account.

3. If the department bars a participating school or education provider from the education savings account program, the department shall notify eligible students and parents of the decision as quickly as possible. A parent may appeal a decision of the department under chapter 28-32.

4. The department shall adopt rules and procedures as necessary for the administration of the education savings account program.

School districts of residence - Duties.

The school district of residence:

1. Shall provide a participating school or education provider that has admitted an eligible student under this chapter with a complete copy of the student's school records, while complying with the Family Educational Rights and Privacy Act of 1974 [20 U.S.C. Section 1232(g)].

2. May provide transportation for an eligible student to and from the participating school or education provider under the same conditions as the school district of residence is required to provide transportation for other resident students to nonpublic schools. The school district of residence qualifies for state transportation aid for each student transported.

SECTION 2. APPROPRIATION - BANK OF NORTH DAKOTA - EDUCATION SAVINGS ACCOUNT PROGRAM. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $40,000,000, or so much of the sum as may be necessary, to the Bank of North Dakota for the purpose of funding the education savings account program beginning in the school year 2026-27, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 3. EFFECTIVE DATE. Section 1 of this Act becomes effective on July 1, 2026.

25.1055.03001
Title.

Prepared by the Legislative Council
staff for Representative Koppelman
February 18, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO
FIRST ENGROSSMENT

ENGROSSED HOUSE BILL NO. 1540

Introduced by

Representatives Koppelman, Hauck, J. Johnson, Marschall, Morton, Rohr, Steiner

Senators Clemens, Cory, Gerhardt, Wobbema, Boehm

A BILL for an Act to create and enact a new chapter to title 15.1 of the North Dakota Century Code, relating to an education savings account program; to provide an appropriation; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new chapter to title 15.1 of the North Dakota Century Code is created and enacted as follows:

Definitions.

As used in this chapter:

1. "Administrator" means an organization registered by the secretary of state to do business in North Dakota and designated by the Bank of North Dakota to assist in the implementation of this chapter.
2. "Department" means the department of public instruction.
3. "Education service provider" means an individual or organization approved to provide qualified education services. The term does not include a participating school.
4. "Eligible postsecondary institution" means a community college, an accredited university, or an accredited private postsecondary institution.
5. "Eligible student" means:
   a. An elementary or secondary student who is a resident of this state and is eligible to attend a public school; or

b. A student who has received a scholarship under the education savings account program until the student graduates high school or reaches twenty-one years of age, regardless of household income.

6. "Parent" means a resident of this state who is a parent, guardian, custodian, or other person with the authority to act on behalf of the child.

7. "Participating school" means any nonpublic school providing education to elementary students, secondary students, or both that has notified the administrator of the school's intention to participate in the education savings account program and comply with the education savings account program requirements under this chapter and related administrative rules.

8. "Private tutoring" means qualified tutoring services approved to receive payment under this chapter.

Account deposits - Parent agreement - Qualified expenses - Enrollment.

1. ~~For~~Beginning with the 2026-27 school year, the Bank of North Dakota annually shall deposit into each education savings account forty percent of the dollar amount under subsection 3 of section 15.1-27-04.1 for the respective year.

2. ~~Beginning with the 2027-28 school year, the Bank of North Dakota annually shall deposit into each education savings account eighty percent of the dollar amount under subsection 3 of section 15.1-27-04.1 for the respective year.~~

~~3.~~ The department shall give priority access to the education savings account program to the sibling of a student already enrolled in the education savings account program.

~~4.~~3. A parent of an eligible student qualifies for a state grant to the child's education savings account if the parent signs an agreement with the department promising:

a. To provide an education for the eligible student in at least the subjects of reading, grammar, mathematics, social studies, and science;

b. Not to enroll the parent's eligible student in a public school or supervise home education under chapter 15.1-23 for the eligible student;

c. To use education savings account program funds solely for qualified expenses under this chapter;

d. To comply with the requirements outlined in this chapter and any related rules;

e. If the participating student is a child with a disability, to acknowledge the parent has received information from the department and understands participation in the education savings account program qualifies as a parental placement of the parent's child under the Individuals with Disabilities Education Act [Pub. L. 108-446; 20 U.S.C. 1412(a)(10)(A)]; and

f. To notify the department if the parent's student terminates participation in the education savings account program and enrolls in a public school.

~~5.~~4. A parent participating in the education savings account program shall use the funds deposited in the eligible student's account for any of the following qualifying expenses to educate the eligible student:

a. Tuition and fees at a participating school;

b. A textbook required by a participating school;

c. Payment for private tutoring or to another educational service provider;

d. Payment for purchase of curriculum;

e. Tuition or fees for a nonpublic online learning program;

f. Fees for national norm-referenced examinations, advanced placement examinations or similar courses, and any examinations related to college or university admission;

g. Computer hardware, software, or other technological device that is used solely for a student's educational needs and approved by the department or a licensed physician, provided hardware purchased with education savings account funds may not be resold within one year of purchase;

h. Reasonable fees for transportation paid to a fee-for-service transportation provider for the student to travel to and from an education service provider;

i. Tuition and fees at an eligible postsecondary institution; and

j. A textbook required for college or university courses.

~~6.~~5. A participating school, private tutor, eligible postsecondary institution, or other education service provider may not refund, rebate, or share a student's grant with a parent or the student in any manner.

~~7.~~6. A parent may make a payment for the cost of educational programs and services not covered by the funds in the child's account.

~~8.~~7. The state treasurer annually shall transfer the funds required for education savings accounts from the general fund to the Bank of North Dakota for quarterly deposit in each education savings account.

~~9.~~8. Funds, not to exceed twenty-five percent of the amount under subsection 1, not expended over the course of a school year may be carried forward for use in the following school year for a child who remains in the education savings account program. If a parent removes a child from the education savings account program before the end of the school year, any remaining funds from that school year must be returned to the state and be allocated to fund other accounts. A student may transfer to another nonpublic school or home school and retain the funds in the education savings account.

~~10.~~9. Funds deposited in an education savings account do not constitute taxable income to the parent or the education savings account student.

Bank of North Dakota - Administrator - Administration.

1. The Bank of North Dakota shall:
   a. Qualify private financial management firms to manage and administer education savings accounts.
   b. Conduct or contract for the auditing of accounts and, at a minimum, conduct random audits of accounts on an annual basis. The Bank of North Dakota may make a parent of an eligible student ineligible for the education savings account program if the parent substantially misuses the funds in the account.
   c. Refer cases of substantial misuse of funds to law enforcement for investigation if evidence of fraudulent use of an account is obtained.
   d. Make payments to eligible students' education savings accounts on a quarterly basis.
   e. Adopt rules and procedures as necessary for the administration of the education savings account program.
   f. Upon the student's graduation from high school, the superintendent of public instruction shall close the student's account and transfer any remaining money in the account to the general fund in the state treasury.

2. The administrator shall provide to the parent of a participating student a written explanation of the allowable uses of education saving accounts, the responsibilities of the parent, and the duties of the administrator.

Participating schools - Accountability standards.

1. To ensure students are treated fairly and kept safe, each participating nonpublic school shall:
   a. Comply with all health and safety laws or codes that apply to nonpublic schools;
   b. Obtain certification of approval under section 15.1-06-06.1;
   c. Hold a valid occupancy permit if required by the school's municipality; and
   d. Certify the school complies with the nondiscrimination policies under [42 U.S.C. 1981].
2. To ensure funds are spent appropriately, a participating school shall:
   a. Provide a parent with a receipt for all qualifying expenses at the school.
   b. Demonstrate the school's financial viability, if the school is to receive fifty thousand dollars or more during the school year, by filing with the administrator before the start of the school year:
      (1) A surety bond payable to the state in an amount equal to the aggregate amount of the funds from education savings accounts expected to be paid during the school year from students admitted at the participating school; or
      (2) Financial information demonstrating the school has the ability to pay an aggregate amount equal to the amount of the funds from education savings accounts expected to be paid during the school year to students admitted to the participating school.
3. To allow parents and taxpayers to measure the achievements of the education savings account program:
   a. Parents shall ensure:
      (1) The eligible student annually takes the state achievement tests, nationally norm-referenced tests, or equivalent tests that measure learning gains in mathematics and language arts, and provide for value-added assessment. If a parent selects the state achievement test, the department shall pay associated costs and materials;

(2) The results of the tests are provided to the department or an organization chosen by the state on an annual basis;

(3) The student information is reported in a way that allows the department to aggregate data by grade level, gender, family income level, and race; and

(4) The department, or an organization chosen by the department, is informed of the eligible student's graduation from high school.

b. The department, or an organization chosen by the department, shall:

(1) Ensure compliance with all student privacy laws;

(2) Collect all test results;

(3) Provide the test results, associated learning gains, and graduation rates to the public on the department's website after the third year of test and graduation-related data collection. The findings must be aggregated by the student's grade level, gender, family income level, number of years of participation in the education savings account program, and race;

(4) Provide rates for high school graduation, college attendance, and college graduation for participating students to the public on the department's website after the third year of test and test-related data collection; and

(5) Administer an annual parental satisfaction survey requesting each parent of a student receiving an education savings account program grant indicate the number of years the child has participated in the education savings account program and express the parent's:

(a) Satisfaction with the education savings account program; and

(b) Opinions on other topics, items, or issues that may indicate the effectiveness of the education savings account program.

4. A participating nonpublic school or other education service provider is autonomous and not an agent of the state or federal government and:

a. The department may not regulate the educational program of a participating nonpublic school or education service provider that accepts funds from an education savings account, except as provided under this chapter and chapter 15.1-23;

b. The creation of the education savings account program does not expand the regulatory authority of the state, its officers, or a school district to impose an additional regulation of nonpublic schools or education service providers beyond the regulations necessary to enforce the requirements of the education savings account program; and

c. Participating nonpublic schools and education service providers must have the freedom to provide for the educational needs of the school's students without governmental control.

Department of public instruction - Administrator - Duties.

1. The administrator shall:

a. Ensure eligible students and parents are informed annually of the schools that will be participating in the education savings account program.

b. Create a standard form a parent of an eligible student may submit to establish a student's eligibility for the education savings account program. The administrator shall ensure the application is readily available to interested families through various sources, including the department's website.

c. Accept applications on a year-round basis and shall approve applications in a reasonable time frame.

d. Execute a multimedia marketing program targeting eligible families, especially those below the state's median household income, informing the families about the education savings account program and how to apply.

e. Establish a web and phone-based support system providing parents with education savings account program application support and ongoing account maintenance support.

2. The department may bar a participating school or education service provider from the education savings account program if the department determines the participating school or education provider has:

a. Routinely failed to comply with the accountability standards established under this chapter; or

b. Failed to provide the eligible student with the educational services funded by the education savings account.

3. If the department bars a participating school or education provider from the education savings account program, the department shall notify eligible students and parents of the decision as quickly as possible. A parent may appeal a decision of the department under chapter 28-32.
4. The department shall adopt rules and procedures as necessary for the administration of the education savings account program.

School districts of residence - Duties.

The school district of residence:

1. Shall provide a participating school or education provider that has admitted an eligible student under this chapter with a complete copy of the student's school records, while complying with the Family Educational Rights and Privacy Act of 1974 [20 U.S.C. Section 1232(g)].
2. May provide transportation for an eligible student to and from the participating school or education provider under the same conditions as the school district of residence is required to provide transportation for other resident students to nonpublic schools. The school district of residence qualifies for state transportation aid for each student transported.

SECTION 2. APPROPRIATION - BANK OF NORTH DAKOTA - EDUCATION SAVINGS ACCOUNT PROGRAM. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $40,000,000, or so much of the sum as may be necessary, to the Bank of North Dakota for the purpose of funding the education savings account program beginning in the school year 2026-27, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 3. EFFECTIVE DATE. Section 1 of this Act becomes effective on July 1, 2026.

25.1055.03002
Title.

Prepared by the Legislative Council
staff for Representative Koppelman
February 19, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO
FIRST ENGROSSMENT

ENGROSSED HOUSE BILL NO. 1540

Introduced by

Representatives Koppelman, Hauck, J. Johnson, Marschall, Morton, Rohr, Steiner

Senators Clemens, Cory, Gerhardt, Wobbema, Boehm

A BILL for an Act to create and enact a new chapter to title 15.1 of the North Dakota Century Code, relating to an education savings account program; to provide an appropriation; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new chapter to title 15.1 of the North Dakota Century Code is created and enacted as follows:

Definitions.

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4. "Eligible postsecondary institution" means a community college, an accredited university, or an accredited private postsecondary institution.
5. "Eligible student" means:
   a. An elementary or secondary student who is a resident of this state and is eligible to attend a public school; or

b. A student who has received a scholarship under the education savings account program until the student graduates high school or reaches twenty-one years of age, regardless of household income.

6. "Parent" means a resident of this state who is a parent, guardian, custodian, or other person with the authority to act on behalf of the child.

7. "Participating school" means any nonpublic school providing education to elementary students, secondary students, or both that has notified the administrator of the school's intention to participate in the education savings account program and comply with the education savings account program requirements under this chapter and related administrative rules.

8. "Private tutoring" means qualified tutoring services approved to receive payment under this chapter.

Account deposits - Parent agreement - Qualified expenses - Enrollment.

1. ~~For~~Beginning with the 2026-27 school year, the Bank of North Dakota annually shall deposit into each education savings account ~~forty~~fifty percent of the ~~dollar~~statewide average amount distributed per student under subsection ~~3~~5 of section 15.1-27-04.1 for the ~~respective~~previous year.

2. ~~Beginning with the 2027-28 school year, the Bank of North Dakota annually shall deposit into each education savings account eighty percent of the dollar amount under subsection 3 of section 15.1-27-04.1 for the respective year.~~

~~3.~~ The department shall give priority access to the education savings account program to the sibling of a student already enrolled in the education savings account program.

~~4.~~3. A parent of an eligible student qualifies for a state grant to the child's education savings account if the parent signs an agreement with the department promising:

a. To provide an education for the eligible student in at least the subjects of reading, grammar, mathematics, social studies, and science;

b. Not to enroll the parent's eligible student in a public school or supervise home education under chapter 15.1-23 for the eligible student;

c. To use education savings account program funds solely for qualified expenses under this chapter;

d. To comply with the requirements outlined in this chapter and any related rules;

e. If the participating student is a child with a disability, to acknowledge the parent has received information from the department and understands participation in the education savings account program qualifies as a parental placement of the parent's child under the Individuals with Disabilities Education Act [Pub. L. 108-446; 20 U.S.C. 1412(a)(10)(A)]; and

f. To notify the department if the parent's student terminates participation in the education savings account program and enrolls in a public school.

~~5.~~4. A parent participating in the education savings account program shall use the funds deposited in the eligible student's account for any of the following qualifying expenses to educate the eligible student:

a. Tuition and fees at a participating school;

b. A textbook required by a participating school;

c. Payment for private tutoring or to another educational service provider;

d. Payment for purchase of curriculum;

e. Tuition or fees for a nonpublic online learning program;

f. Fees for national norm-referenced examinations, advanced placement examinations or similar courses, and any examinations related to college or university admission;

g. Computer hardware, software, or other technological device that is used solely for a student's educational needs and approved by the department or a licensed physician, provided hardware purchased with education savings account funds may not be resold within one year of purchase;

h. Reasonable fees for transportation paid to a fee-for-service transportation provider for the student to travel to and from an education service provider;

i. Tuition and fees at an eligible postsecondary institution; and

j. A textbook required for college or university courses.

~~6.~~5. A participating school, private tutor, eligible postsecondary institution, or other education service provider may not refund, rebate, or share a student's grant with a parent or the student in any manner.

~~7.~~6. A parent may make a payment for the cost of educational programs and services not covered by the funds in the child's account.

~~8.~~7. The state treasurer annually shall transfer the funds required for education savings accounts from the general fund to the Bank of North Dakota for quarterly deposit in each education savings account.

~~9.~~8. Funds, not to exceed twenty-five percent of the amount under subsection 1, not expended over the course of a school year may be carried forward for use in the following school year for a child who remains in the education savings account program. If a parent removes a child from the education savings account program before the end of the school year, any remaining funds from that school year must be returned to the state and be allocated to fund other accounts. A student may transfer to another nonpublic school or home school and retain the funds in the education savings account.

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1. The Bank of North Dakota shall:
   a. Qualify private financial management firms to manage and administer education savings accounts.
   b. Conduct or contract for the auditing of accounts and, at a minimum, conduct random audits of accounts on an annual basis. The Bank of North Dakota may make a parent of an eligible student ineligible for the education savings account program if the parent substantially misuses the funds in the account.
   c. Refer cases of substantial misuse of funds to law enforcement for investigation if evidence of fraudulent use of an account is obtained.
   d. Make payments to eligible students' education savings accounts on a quarterly basis.
   e. Adopt rules and procedures as necessary for the administration of the education savings account program.
   f. Upon the student's graduation from high school, the superintendent of public instruction shall close the student's account and transfer any remaining money in the account to the general fund in the state treasury.

2. The administrator shall provide to the parent of a participating student a written explanation of the allowable uses of education saving accounts, the responsibilities of the parent, and the duties of the administrator.

Participating schools - Accountability standards.

1. To ensure students are treated fairly and kept safe, each participating nonpublic school shall:
   a. Comply with all health and safety laws or codes that apply to nonpublic schools;
   b. Obtain certification of approval under section 15.1-06-06.1;
   c. Hold a valid occupancy permit if required by the school's municipality; and
   d. Certify the school complies with the nondiscrimination policies under [42 U.S.C. 1981].
2. To ensure funds are spent appropriately, a participating school shall:
   a. Provide a parent with a receipt for all qualifying expenses at the school.
   b. Demonstrate the school's financial viability, if the school is to receive fifty thousand dollars or more during the school year, by filing with the administrator before the start of the school year:
      (1) A surety bond payable to the state in an amount equal to the aggregate amount of the funds from education savings accounts expected to be paid during the school year from students admitted at the participating school; or
      (2) Financial information demonstrating the school has the ability to pay an aggregate amount equal to the amount of the funds from education savings accounts expected to be paid during the school year to students admitted to the participating school.
3. To allow parents and taxpayers to measure the achievements of the education savings account program:
   a. Parents shall ensure:
      (1) The eligible student annually takes the state achievement tests, nationally norm-referenced tests, or equivalent tests that measure learning gains in mathematics and language arts, and provide for value-added assessment. If a parent selects the state achievement test, the department shall pay associated costs and materials;

(2) The results of the tests are provided to the department or an organization chosen by the state on an annual basis;

(3) The student information is reported in a way that allows the department to aggregate data by grade level, gender, family income level, and race; and

(4) The department, or an organization chosen by the department, is informed of the eligible student's graduation from high school.

b. The department, or an organization chosen by the department, shall:

(1) Ensure compliance with all student privacy laws;

(2) Collect all test results;

(3) Provide the test results, associated learning gains, and graduation rates to the public on the department's website after the third year of test and graduation-related data collection. The findings must be aggregated by the student's grade level, gender, family income level, number of years of participation in the education savings account program, and race;

(4) Provide rates for high school graduation, college attendance, and college graduation for participating students to the public on the department's website after the third year of test and test-related data collection; and

(5) Administer an annual parental satisfaction survey requesting each parent of a student receiving an education savings account program grant indicate the number of years the child has participated in the education savings account program and express the parent's:

(a) Satisfaction with the education savings account program; and

(b) Opinions on other topics, items, or issues that may indicate the effectiveness of the education savings account program.

4. A participating nonpublic school or other education service provider is autonomous and not an agent of the state or federal government and:

a. The department may not regulate the educational program of a participating nonpublic school or education service provider that accepts funds from an education savings account, except as provided under this chapter and chapter 15.1-23;

b. The creation of the education savings account program does not expand the regulatory authority of the state, its officers, or a school district to impose an additional regulation of nonpublic schools or education service providers beyond the regulations necessary to enforce the requirements of the education savings account program; and

c. Participating nonpublic schools and education service providers must have the freedom to provide for the educational needs of the school's students without governmental control.

Department of public instruction - Administrator - Duties.

1. The administrator shall:

a. Ensure eligible students and parents are informed annually of the schools that will be participating in the education savings account program.

b. Create a standard form a parent of an eligible student may submit to establish a student's eligibility for the education savings account program. The administrator shall ensure the application is readily available to interested families through various sources, including the department's website.

c. Accept applications on a year-round basis and shall approve applications in a reasonable time frame.

d. Execute a multimedia marketing program targeting eligible families, especially those below the state's median household income, informing the families about the education savings account program and how to apply.

e. Establish a web and phone-based support system providing parents with education savings account program application support and ongoing account maintenance support.

2. The department may bar a participating school or education service provider from the education savings account program if the department determines the participating school or education provider has:

a. Routinely failed to comply with the accountability standards established under this chapter; or

b. Failed to provide the eligible student with the educational services funded by the education savings account.

3. If the department bars a participating school or education provider from the education savings account program, the department shall notify eligible students and parents of the decision as quickly as possible. A parent may appeal a decision of the department under chapter 28-32.
4. The department shall adopt rules and procedures as necessary for the administration of the education savings account program.

School districts of residence - Duties.

The school district of residence:

1. Shall provide a participating school or education provider that has admitted an eligible student under this chapter with a complete copy of the student's school records, while complying with the Family Educational Rights and Privacy Act of 1974 [20 U.S.C. Section 1232(g)].
2. May provide transportation for an eligible student to and from the participating school or education provider under the same conditions as the school district of residence is required to provide transportation for other resident students to nonpublic schools. The school district of residence qualifies for state transportation aid for each student transported.

SECTION 2. APPROPRIATION - BANK OF NORTH DAKOTA - EDUCATION SAVINGS ACCOUNT PROGRAM. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $40,000,000, or so much of the sum as may be necessary, to the Bank of North Dakota for the purpose of funding the education savings account program beginning in the school year 2026-27, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 3. EFFECTIVE DATE. Section 1 of this Act becomes effective on July 1, 2026.

2025 HOUSE STANDING COMMITTEE MINUTES

Appropriations Committee
Roughrider Room, State Capitol

HB 1540
2/20/2025

A BILL for an Act to create and enact a new chapter to title 15.1 of the North Dakota Century Code, relating to an education savings account program; to provide an appropriation; and to provide an effective date.

7:09 p.m. Chairman Vigesaa Called the meeting to order.

Members present: Chairman Vigesaa, Vice Chairman Kempenich, Representatives Anderson, Berg, Bosch, Brandenburg, Fisher, Hanson, Martinson, Meier, Mitskog, Monson, Murphy, Nathe, Nelson, O'Brien, Pyle, Richter, Sanford, Stemen, Swiontek, Wagner

Member absent: Representative Louser

Discussion Topics:

- Committee Action

7:09 p.m. Representative Murphy moved a Do Not Pass as amended.

7:09 p.m. Representative Pyle seconded the motion.

7:17 p.m. Roll call vote

Representatives	Vote
Representative Don Vigesaa	Y
Representative Keith Kempenich	N
Representative Bert Anderson	Y
Representative Mike Berg	Y
Representative Glenn Bosch	Y
Representative Mike Brandenburg	Y
Representative Jay Fisher	N
Representative Karla Rose Hanson	Y
Representative Scott Louser	AB
Representative Bob Martinson	Y
Representative Lisa Meier	N
Representative Alisa Mitskog	Y
Representative David Monson	Y
Representative Eric J. Murphy	Y
Representative Mike Nathe	Y
Representative Jon O. Nelson	Y
Representative Emily O'Brien	Y
Representative Brandy L. Pyle	Y
Representative David Richter	Y
Representative Mark Sanford	Y

Representative Gregory Stemen	Y
Representative Steve Swiontek	Y
Representative Scott Wagner	Y

7:17 p.m. Motion passed 19-3-1.

7:17 p.m. Representative Richter will carry.

7:20 p.m. Chairman Vigesaa closed the meeting.

Krystal Eberle for Risa Berube, Committee Clerk

REPORT OF STANDING COMMITTEE
ENGROSSED HB 1540

Appropriations Committee (Rep. Vigesaa, Chairman) recommends **AMENDMENTS (25.1055.03002)** and when so amended, recommends **DO NOT PASS** (19 YEAS, 3 NAYS, 1 ABSENT OR EXCUSED AND NOT VOTING). HB 1540 was placed on the Sixth order on the calendar.

2025 SENATE EDUCATION

HB 1540

2025 SENATE STANDING COMMITTEE MINUTES

Education Committee
Room JW216, State Capitol

HB 1540
3/17/2025

Relating to an education savings account program; to provide an appropriation; and to provide an effective date.

2:39 p.m. Chairman Beard called the hearing to order.

Members Present: Chairman Beard; Vice-Chairman Lemm; Senators: Axtman, Boschee, Gerhardt, and Wobbema.

Discussion Topics:

- Nonpublic schools
- Bank of ND - Administrator
- Testing from Department of Public Instruction
- 40% of educational funds
- Comply with requirements and related rules
- Savings to state
- Unused funds returned to state
- Accountability standards
- Uniform terminology needed

2:39 p.m. Representative Koppelman, District #16, introduced the bill.

3:00 p.m. Representative Koppelman, District #16, answered questions from the committee.

3:21 p.m. Daniel Martinez, parent Bishop Ryan, testified in favor.

3:25 p.m. Nicholas Lee, Principal St. Catherine School Valley City, testified in favor and submitted testimony #42156.

3:30 p.m. Aaron Gillham, Policy & Advocacy Director EdChoice, testified in favor and submitted testimony #42409.

3:35 p.m. Sara Dudley, Principal St. Michael's Catholic School Grand Forks, testified in favor and submitted testimony #41342.

3:41 p.m. Shane Geottle, Lobbyist State Association of Nonpublic Schools, testified in favor and submitted testimony #41801.

3:43 p.m. Rick Diegel, Superintendent Kidder County School District, testified in opposition and submitted testimony #42208.

3:48 p.m. Sheila Peterson, Teacher/2024 ND Teacher of the year Wachter Middle School Bismarck Public Schools, testified in opposition and submitted testimony #41673.

3:54 p.m. Vicki Voldal Rosenau, citizen Valley City, testified in opposition and submitted testimony #42091.

4:02 p.m. Kendall Bergrud, Math Teacher/2025 ND Teacher of the year, testified in opposition and submitted testimony #42280.

4:06 p.m. Jennifer Feist, Valley City-Barnes County Development Corp., testified in opposition and submitted testimony #41622.

4:18 p.m. Roxanne Romanick, Representative/Lobbyist Designer Genes of ND, Inc., testified in opposition and submitted testimony #42214.

4:22 p.m. Ross Remmick, Director Office of Management and Information Systems, testified neutral and submitted testimony #42403.

4:36 p.m. Rick Geloff, Executive Vice President Bank of North Dakota, testified neutral.

Additional written testimony:

41839, 42113, 42126, 42129, 42130, 42150, 42251, 42266, 42442, 42452, 41686, 41784, 42023, 41277, 41305, 41362, 41368, 41370, 41376, 41383, 41464, 41485, 41521, 41594, 41565, 41640, 41657, 41698, 41701, 41710, 41730, 41736, 41749, 41786, 41800, 41856, 41908, 41930, 41934, 41992, 42013, 42019, 42025, 42030, 42036, 42102, 42143, 42186, 42196, 42206, 42229, 42232, 42235, 42276, 42301, 42347, 42351, 42352, 42365, 42401, 42412, 42414, 42418, 42440, 42447, 42450, 41322, 41356, 41396, 41430, 41510, 41531, 41540, 41554, 41580, 41591, 41607, 41615, 41630, 41675, 41680, 41704, 41712, 41722, 41723, 41728, 41740, 41743, 41744, 41747, 41752, 41756, 41770, 41771, 41773, 41788, 41790, 41796, 41805, 41808, 41810, 41817, 41821, 41822, 41825, 41833, 41837, 41840, 41847, 41849, 41859, 41898, 41901, 41903, 41905, 42077, 42086, 42088, 42093, 42101, 42109, 42121, 42148, 42149, 42153, 42181, 42198, 42215, 42216, 42220, 42224, 42226, 42255, 42271, 42272, 42278, 42279, 42282, 42293, 42306, 42316, 42322, 42333, 42334, 42336, 42337, 42339, 42342, 42343, 42360, 42368, 42379, 42380, 42382, 42383, 42387, 42399, 42400, 42419, 42424, 42426, 42429, 42430, 42432, 42433, 42435, 42451, 42453, 42830, 42831, 41765, 42374, 41910, 41919, 41923, 41925, 41926, 41928, 41937, 41944, 41946, 41951, 41967, 41974, 41986, 41993, 42039, 42035, 41995, 42000, 42003, 42005, 42008, 42010, 42018, 42028, 42073

4:41 p.m. Chairman Beard closed the hearing.

Susan Helbling, Committee Clerk

Chairman Beard and Members of the Senate Education Committee,

My name is Matt Liebel, and I am writing to express my strong opposition to HB 1540. As a public school parent, a former public school teacher, and a passionate advocate for quality education, I urge you to reject this harmful legislation.

Regardless of the terminology—whether education savings accounts, scholarships, or tax credits—if public funds are being diverted from our public schools to private institutions, these programs function as vouchers. This redirection of taxpayer dollars undermines the foundation of our public education system, which exists to serve **all** children, regardless of ability, income, or background.

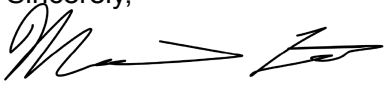
The vast majority of North Dakota families rely on public schools. In fact, **93% of North Dakota's students attend public schools**, yet this bill prioritizes funding mechanisms that benefit private institutions, which are inaccessible to most families. Additionally, **only 32% of counties in North Dakota have access to a private school**, meaning the majority of our communities would see no benefit from HB 1540. Instead of strengthening education for all, this bill diverts critical resources away from the schools that serve nearly every child in our state.

Public schools are the cornerstone of our communities. Unlike private schools, they are required to serve every child, meet rigorous academic standards, and remain accountable to taxpayers. Instead of siphoning public dollars into private institutions that can set their own admissions policies and operate without the same level of oversight, we should be prioritizing investments in **our** schools—ensuring that educators, support staff, mental health resources, and students have the funding and support they need to thrive.

HB 1540 is a step in the wrong direction. I urge you to stand with our students, families, and communities by **voting NO** on this bill. Our public schools—and the future of our children—depend on it.

Thank you for your time and consideration.

Sincerely,



Matt Liebel
District 1
Williston, ND

Antoine Poitras

1106 Central Ave N

Beulah ND, 58523

Antoine.poitras@gmail.com

March 13, 2025

Dear Members of the North Dakota House of Representatives,

My name is Antoine Poitras and I am both a teacher and a parent in North Dakota. I am testifying today in strong opposition to HB1540 because I believe this bill would be deeply harmful to our children, our schools, and our communities—particularly in its potential to undermine funding for our public education system.

As a teacher, I know firsthand the challenges our schools already face. Public education in North Dakota operates under tight budgets, and any policy that further threatens funding puts students at an even greater disadvantage. HB1540 could have serious financial consequences by diverting resources away from public schools, whether through legal challenges, compliance costs, or shifts in funding toward alternatives that do not serve all students equitably. Public schools are the foundation of our communities and weakening them through policies that divert public school funding to other places does not serve our students' best interests.

As a parent, I want my children to have access to a strong, well-funded public education system that provides them with the tools they need to succeed. HB1540 risks destabilizing that foundation by fostering an environment of uncertainty and fear—where educators are forced to second-guess their curriculum, and schools may lose critical funding due to politically driven restrictions. When schools are underfunded, it is our students who suffer the most, particularly in rural areas where resources are already scarce.

Rather than passing restrictive legislation that threatens the financial health of our schools, we should be working together to invest in education, support teachers, and ensure that all North Dakota students receive the high-quality education they deserve. I urge you to reject HB1540 and instead focus on policies that strengthen, rather than weaken, our public school system.

Thank you for your time and consideration.

Sincerely,

Antoine Poitras

March 13, 2025

To the Members of the Committee:

I write to you as both an educator with 15 years of experience and a mother of children who attend a public rural school to express my vehement opposition to HB 1540. While I understand the desire to offer more educational choice, I believe this bill is counterintuitive to achieving that goal. This bill would be a detriment to public schools, particularly in rural areas, and would ultimately harm the students who rely on North Dakota's public schools for their education.

As an educator who has spent over a decade in the classroom, I have seen firsthand how critical public schools are to the success of all students. Public schools are the backbone of our communities, providing vital services to children of all backgrounds, including those with special needs, those from low-income families, and those in rural areas where options for educational choice are already limited. Redirecting public funds to private schools would disproportionately affect rural districts, which already face funding disparities and resource challenges. Decreasing the funding for these schools would further widen the gap between urban and rural education, leading to discrepancies in educational outcomes.

As a mother, I am deeply invested in the quality of education my children receive. Their rural school district provides an exceptional education, thanks to the unwavering dedication of its teachers, staff, and administrators. Year after year, these educators go above and beyond, at times going so far as to spend their own money to ensure students have what they need to succeed. Despite inadequate budget increases, the staff and administration remain committed to fostering a strong learning environment. Diverting public funds to private schools would only deepen any financial strain on public schools, making it difficult for teachers to do the incredible work they already accomplish with limited resources. This would be detrimental to the teaching profession as well as teacher retention. I want my kids to have teachers who have the resources they need to focus on doing their job well year after year. Furthermore, many families in our state do not have access to private schools due to lack of proximity. Weakening public school funding would not only jeopardize student success but also diminish our state's long-term educational and economic potential.

Instead of diverting public funds to private schools, we should be focusing on improving and adequately funding our public education system. For years, North Dakota public education has been exceptional. Our children deserve to continue receiving the best possible education, and that can only be achieved by ensuring our public schools have the resources they need to succeed. This includes investing in teachers to increase retention, classroom curricula, technology, and supplies, and the services that public schools provide to every student.

I urge you to consider the long-term impact of HB 1540 on all ND citizens, but especially on rural schools and the students who depend on them. Please stand with educators, parents, and communities to protect the future of public education and ensure that every child, regardless of their background or where they live, has access to a high-quality education.

Thank you for your time and consideration.

Mallory Brown

Mother
Educator, United #7 - Middle School Science and Academic Interventionist
1900 Heights Ave., Burlington, ND 58722
701.833.8832

March 2025 Testimony
HB 1540
March 17, 2025 at 2:30pm

Hello Senator Beard and Senators.
My name is Sara Dudley and I am the principal of St. Michael's Catholic School in Grand Forks. I have served in that role for 11 years. I am here to address the realities of St. Michael's Catholic School and how they counter some of the falsehoods and misrepresentations shared by the opposition to school choice.

St. Michael's Catholic School serves students with special needs. We serve students when we have the resources and staff to accommodate their needs. We would love to serve all students but the reality is that we receive $0 from the government to do that. The public schools receive money to serve those students so how is it right for them to accuse non-public schools over and over again of discrimination when we are unable to serve those students because we don't have the financial resources to serve them. Instead, we show kindness and love to families to point them in the direction where their needs would be best met because public schools have the financial resources to meet their needs. If we received the funding that they receive, our student profile and demographics would look very different because we'd have the resources to serve more students with special needs. We do the best we can to serve students who have autism spectrum disorder, speech and language disorders, dyslexia, learning disabilities, epilepsy, mood disorders, visual impairment,and hearing impairments without any financial resources from the state. I reject the over simplification of the idea that non-public schools do not serve students with special needs and I ask that you reject it too when considering this bill.

St. Michael's and other non-public schools demonstrate accountability in every way that is asked of them by the Department of Public Instruction. From yearly reports to professional development requirements to highly qualified licensed teachers, non-public schools comply and participate in those accountability measures. Beyond that, non-public schools are accredited by the same accrediting institution that public schools are accredited by, Cognia. We have boards that represent our school's and hold administrators accountable for the mission of our schools that include fiscal responsibility. Most importantly, we are accountable to our parents who choose our schools. This should not be discounted because that parent choice and parent voice is the backbone of school choice. I reject the falsehood that non-public schools are not accountable and I ask that you reject that falsehood too when considering this bill. We are accountable in many of the same ways public schools are accountable, but demonstrate accountability in different ways too.

Lastly, I want to address the falsehood that non-public schools serve the wealthy. At St. Michael's Catholic School, 28% of our student population is on free and reduced lunch and 41% of our students receive scholarships to attend our school. This demonstrates the commitment that parents have to make sacrifices to make the choice that best meets their family's educational needs.

School choice is fundamentally about empowering parents by giving them a voice and the freedom to choose the best educational path for their children, accompanied by the necessary resources and support to make informed decisions. It recognizes that parents are best positioned to understand their children's unique needs and aspirations, and it ensures they have the tools and opportunities to secure an education that aligns with their values and goals.

Thank you for your time and please vote in favor of school choice and parent empowerment for North Dakota. I will stand for questions from the committee.

Members of the Senate Education Committee,

My name is Melissa Buchhop and I am a 4th grade teacher in the Grand Forks Public Schools. I also have 2 children currently enrolled in the public school system. I urge a DO NOT PASS on HB 1540. No matter what these bills are called—education savings accounts, scholarship programs, or otherwise—if they divert public dollars to private schools, they are vouchers. Public funds should NOT be going to private schools. Taxpayer money is for public entities.

As a taxpayer, I pay for public parks and our local park district in Grand Forks. As a parent I can decide that I don't want to take my child(ren) to the public park and instead put up a playset in my yard. This does not mean that I now get to ask for public funds to fund my playset because I am not using the public parks. The same goes for schools. I can choose to send my child to private school or homeschool, but I do not and should not get tax money to pay for that private school or to homeschool.

Private schools don't have to follow the same rules as public schools, they can choose to reject students based on disability or socioeconomic status. Public dollars should be used to strengthen our public schools (our teachers, support staff, mental health resources, and students), which are for everybody, not to subsidize private institutions that serve only a few. We need the legislature to invest in public education, not dismantle it.

Thank you for your time and consideration.

Sincerely,
Melissa Buchhop

Dear ND Senators -

I am writing to **strongly encourage a "Do Pass" vote on HB 1540**, a crucial step toward expanding educational opportunities for North Dakota families. This bill allows parents to choose the best educational path for their children through Education Savings Accounts (ESAs). Our children have been in rural public, Bismarck public, and private schools, varying based on their needs.

HB 1540 provides families with **the flexibility to tailor education** to their child's needs—whether through private school, online learning, tutoring, or specialized educational services. By supporting this bill, you are ensuring that:

- **Parents have greater control over their child's education** and can select the best learning environment.
- **Students receive an education that meets their unique needs,** leading to better outcomes.
- **Education providers can innovate and expand their offerings** to serve students more effectively.
- **North Dakota remains a leader in educational freedom and opportunity.**

This bill recognizes that one size does not fit all in education. Families should have the ability to seek out the best options available, ensuring that every child has the chance to succeed. **HB 1540 makes this possible.**

I respectfully ask for your support of this legislation and urge a **Do Pass** recommendation. Thank you for your time and your commitment to North Dakota's students and families.

Sincerely,

Tera Miller

Senate Education Committee,

My name is Dr. Nick Emmel and I live in District 32. My wife (Lauren) and I are both teachers and we currently have five students enrolled in private education at Light of Christ Catholic Schools. The decision to enroll our children in private education is a serious financial commitment. Lauren and I believe in this commitment to our children's education and we believe that their private school education forms young people not only for the common good of North Dakota, but also for the education of our children toward eternity in Heaven. This is a unique type of education that is not found at every school. The sad reality is that there are currently many families we come in contact with who desire this same kind of education for their children, however they are unable to afford private schools due to the rising costs of education.

I believe that HB 1540 will provide parents support, voice, and choice in finding the most appropriate education for their children and I think this autonomy will bear great fruit for the future of North Dakota.

I support HB 1540, and I am in support of all school choice bills that include parent autonomy, the right to provide a faith-filled education for my children, and alleviate some of the financial burdens on parents who desire this unique education for their children.

I also support HB 1540 because I am a teacher and parent who understands that support of private schools (by supporting families who enroll students in private schools), is a great benefit for North Dakota private school education at large. As you know, the majority of private schools are non-profit organizations that often struggle to keep their doors open. Over the past 75 years, we have seen many private schools come and go in North Dakota, particularly in the rural areas of our state. I think this is a great tragedy in our state's history, and I believe that school choice bills like this one will preserve the educational landscape of North Dakota amid rising costs and modern changes in education.

I urge you to vote in favor of HB 1540. Thank you!

Sincerely,

Dr. Nick Emmel
Parent
Teacher
St. Mary's Central High School

March 13, 2025

To whom it may concern:

My name is Laura Gardner. I live in District 34 and I am a parent who has chosen to enroll my children in Christ the King Montessori School and St. Mary's High School.

I support HB1540, but I am in support of all school choice bills that support parent autonomy and the right to provide an education for my child. I support HB1540 because our family wishes to enroll our children in private Catholic schools where they can learn about and incorporate our Catholic faith throughout the school day. We have seen the benefits for our children in these faith-based schools as well as benefits from the small close-knit classes where they receive ample attention from both their teachers and their peers.

I urge you to vote in favor of HB1540.

Thank you for your service to the state of North Dakota and your time on HB1540.

Sincerely,

Laura Gardner

To Committee Members,

I am writing in support of HB 1540 as I am a firm believer in giving families as much support as possible to allow their sons and daughters the opportunity to afford the cost of tuition to whatever school they feel will best help their child succeed in life, both academically and socially/emotionally. In my 15 years as a teacher and coach, my first two years in public schools in ND followed by six years in Catholic education in MN and now seven more in Bismarck at St. Mary's Central HS, I have seen many families who rely heavily on extra funds to allow their student to receive the private education they feel is important to the development of their child. The extra funds come from scholarships, parents working extra jobs, work study on campus, and even having to use money earned working as a high school student just to afford the cost of tuition. Every penny matters in these students' lives and the fact that families in ND could use their own, hard-earned money to go towards helping their child attend the school they see fit, without hurting the funding of tax dollars to the public-school setting, seems like an easy decision to make to pass this bill.

Bud (BJ) Etzold

Dear Legislators, HB 15450

First and foremost, I want to thank you for your service to the state of ND and the community of Bismarck ND where I reside. This is a community where I feel safe, I can support my family, and the community services meet the needs of the residents of Bismarck. I now would like to talk about the issue at hand, our schools. I believe that nearly all the school grades in kindergarten through the 12th grade are very good, my message isn't about problems in any of our schools. Yes, we all have problems, but they pale in comparison to the rest of the country. Our only problem is the fact that it is becoming more and more difficult to receive an education from a school you would choose. It has always been established that parents are the 1st and best teachers of their children. They decide how to get that done, it is on them, it is their choice and their responsibility. In our current situation, there are only two choices, 1 is to send your kid to a public school, the other is to pay a great deal of your hard-earned income to a private or Catholic school. There is a myth out there that everyone attending a private or Catholic school is rich, they can afford it, so they should not receive any help or assistance.

My Grandfather, my Father, and I have all sent every one of our children to Catholic schools. We made a choice, we believe in it, and we have proven over the years that it works, and we do just as good as the public school system, in some cases maybe a little better. To me this is very simple, we pay all our taxes, and we have done so for 3 generations, over 70 years of students. Our taxes provide payment for a desk for all our children in a public school. But none of our children have ever used the desk, or the gym, or the bus, or the auditorium, or the playground…….etc. We have nothing against public schools. 3 generations of my family have attended Catholic school, and we are not rich, we live from month to month and have a small savings like many people in this great state. Why do we not receive some credit or rebate of our tax dollars that should be set aside each year for the education of our children. It is our choice, we've paid our dues, and it is time that our leaders recognize the value of what the Catholic Schools bring to our communities. From our Catholic Schools, there are countless entrepreneurs that own several businesses, doctors, lawyers, clergy, nurses, engineers, dentists, skilled professionals, teachers, coaches …. We could go on and on. These people anti up every year for their children, its time for the state to give back to those who choose Catholic & Private School. Think about this, if our Catholic and private schools closed tomorrow, you as legislators would need to find hundreds of millions of dollars to make room for a desk for our kids. Think about that for a moment, and consider a decent credit for our Choice!

Sincerely

Tobias Schweitzer / SMCHS Class of 1985 / Football Coach / Mission Advancement Officer

I am a public school teacher in a rural North Dakota town and I am in opposition to this bill. The obvious end result of this legislation is for public dollars to end up going to private schools. That is wrong.

Diverting any funding from the important work of public education would be a betrayal of North Dakota's future.

Please oppose HB1540.

Do NOT Pass - HB 1540 school ESAs/vouchers

Dear Chairman Beard and members of the Senate Education Committee,

I strongly urge a Do NOT Pass on HB 1540 - vouchers for private schools (ESAs).

NO public tax dollars should be given to private schools.
While this bill provides $4,082/private school student, it could be more if the state allocates more to the public school per pupil funding being this bill states 50% of that amount would go to each private school student Educational Savings Account (ESA) or commonly called voucher.

Cost estimates for this bill is an estimated $70 million dollars per biennium - an unbelievable sum to go only to private school students, who make up only approximately 7% of the ND K-12 student population. In addition, I strongly oppose the $3.5 million in this bill for a marketing campaign to promote private schools. Public tax dollars should not be used for marketing private schools.

HB 1540, if passed, would undermine public schools leading to reduced funding of our public schools in ND at a time when our schools are in need of additional funding to address shortages of teachers and staff, including bus drivers and paraprofessionals. This bill would be particularly bad for rural areas of ND who do not have access to a private school within a reasonable driving distance, taking their tax dollars with no benefit.

- Private schools are not required to follow the Americans with Disabilities Act and the Individuals with Disabilities Education Act.
- Private schools can set their own “standards” for admission, turning away children with special needs.
- Private schools are not required to provide children with special needs any accommodations or special services.
- Test scores cannot be compared due to differences in assessment standards and outcome measures between public and private schools.

In a new development, I am concerned about the impact to the budget for ND public schools given likely cuts to federal funding provided to ND schools from the Department of Education and also cuts from the US Department of Agriculture for schools to purchase food from local farmers and producers.

If parents want to send their children to private schools, that is their choice to fund themselves. I should not have to pay for their choice.

Our ND Constitution mandates that each child in ND be provided with a free public education and that no public tax dollars be allocated to private schools. ND has excellent public schools and teachers and support staff. We need to support our public schools and not undercut their funding and undermine them, but instead support public schools, the teachers and most importantly the students who attend our public schools.

I urge a Do NOT Pass on HB 1540.

Thank you.
Connie Hoffman
3336 Jackson St S
Fargo, ND 58104

To the committee:

I strongly urge you to support HB 1540 because ESAs will be good for the families in our state. They will provide parents with greater autonomy over their children's education, increase educational opportunities through supporting new markets, make all schools more accountable to parents, and help to keep non-public education accessible to families. Our non-public school families currently save the State over $80,000,000 per year because they pay for their children's education out of pocket, while public school parents (without being means tested) pay nothing for their children's education except taxes, which are paid by the the parents of non-public school parents as well. This is fundamentally unjust. For example here in Minot our property taxes have increased each year in the last five years due to schools being built that my children will not use or attend. Bishop Ryan Catholic School provides a valuable service to its families and the state of North Dakota, it is only right that some support be provided to parents who choose non-public education for their children, many of whom do so based on their faith and morals. This bill would provide parents with REAL and meaningful choice because financial issues won't be as prominent in the equation.
Thank you for your time.
Samantha Bice
Minot ND district 40

Hello Senate Education Committee,

My name is Aimee Bachmeier and I support HB 1540. I believe as a parent I should have autonomy and the right to provide an education of choice for my children. Over the years, I have chosen many different methods of education for my children: private school, homeschool, and public school. Each of these choices was based on each individual child's needs and on our financial status.

For example, my oldest child was enrolled in a private elementary school. We loved the faith that was integrated in the school and the small class size, but he was severely struggling academically. At that time, we didn't feel it was the best choice to enroll him into public school. So, I left my job as an Assistant Professor at Bismarck State College and homeschooled. I homeschooled all 4 of my children for 5 years. It was very difficult financially, as we were living on one income. Due to financial constraints, we had to decline some field trips and activities, and I had to choose affordable homeschool materials. Often the materials were used and prewritten in and sometimes we would borrow materials from fellow homeschoolers. We became very creative and utilized the free resources we had in the community to help our children grow academically and spiritually. Before my eyes, I witnessed leaps and bounds in my oldest child's educational understanding. Eventually, he tested out of the IPP (IEP) program, and I no longer needed to submit my educational plan to the public schools. As he got older, he enrolled in public school. He was point one away from graduating with honors at the public school. This is a huge accomplishment! This was a child that went from barely being able to write in 7th grade to getting an A in high school and college English and is now on the Dean's List at University of Mary. I cannot stress enough that parents know what is best for their child. It would have been so helpful to have the option of financial assistance while I was homeschooling and to have the support of my ND government during this time in my children's educational journey. My child's education was successful because we decided to homeschool him and pay for homeschooling using our own financial means. After we left homeschooling, we wanted to enroll our children back into private Catholic schools. However, we were on one income, and it was unaffordable. We still had small children that we were raising. We wanted our children to be raised with faith as a part of their schooling. We believe that it helps them to not only grow and learn academically but also spiritually. Because we had no choice, we enrolled them in the public school system. This is why school choice is so important to me and our family. If our ND government had supported our family with educational financial assistance and had supported school choice, then this would have opened our options and given us more autonomy in making decisions that we feel would be best for our children. Instead, we had no choice but to send our older children to the public school system. Currently, our two younger elementary age children go to the private Catholic school, and we are enduring a financial burden because we made the choice to send our children to Catholic schools.

I urge you to vote in favor of HB 1540. Thank you for your service to the state of North Dakota and for your time reading my written testimony.

Sincerely,

Aimee Bachmeier

Testimony in opposition to HB 1540

As a taxpayer, I am proud to pay taxes to guarantee every North Dakota child a quality public education, even though my own children have long since graduated and become taxpayers in their own right.

I am opposed to spending any public money, any of my tax dollars subsidizing parents who choose to not send their children to the public schools.

Tracy Potter

Dear Senate Education Committee:

I strongly urge you to support HB 1540. My family has chosen to send our children to a private school based on the educational product, parental ability to influence and be involved and because of the faith-based teaching of the school. My husband and I have been committed to sending our children to a Catholic school, and while we have made significant life changes, as well as done significant financial planning to make this happen, I cannot express how much it would mean to us to have some financial support in this endeavor. The school that our children attend goes above and beyond in meeting the educational goals of the State, with our school being above average in test scores compared to local public schools. I love the education that my children are receiving, and HB 1540 would make the awesome education my kids are receiving possible for more people that would choose this if they could. Each child is different and there isn't one school environment that fits all kids. HB 1540 allows parents to more easily be able to objectively assess what is best for their kids. Our private school provides valuable service to its families and the state of North Dakota, it is only right that some support be provided to parents who choose non-public education for their children. Our non-public school families currently save the State over $80,000,000 per year because they pay for their children's education out of pocket, while public school parents (without being means tested) pay nothing for their children's education except taxes, which are paid by the parents of non-public school parents as well. This is fundamentally unjust. I would ask that you support this movement towards empowering parents to make the best decision for their family, even when that means foregoing public education.

Thank you for your work on the Education Committee and your public service!

Katelyn Denne

Chairman Beard and members of the Senate Education Committee,

I have taught in North Dakota public schools for the past 39 years. I have witnessed educators working tremendously hard to help students succeed and become productive and creative citizens North Dakota can be proud of calling its own.
Public schools welcome every child. As a parent, I observed how my children flourished under the guidance of caring teachers. Public education is the great equalizer in our society: it gives access to every child in rural and urban areas. Students from all economic backgrounds are offered the same opportunities.
The millions of dollars this bill would cost to taxpayers would subsidize school tuition for only a small group of parents. This much needed funding could provide endless opportunities for so many of our children in public schools.

Let us channel tax dollars towards investing in our public schools. Let's keep our focus on providing resources for mental health services and qualified staff that enhance the education of every child.
Vouchers in other States have proven to benefit only a few and have not translated into a formula of success for the majority of students. This bill would reduce resources available to public schools and weaken their capacity to serve EVERY student (regardless of their ability or economic background).
As a citizen who lives on a farm in a rural area, I foresee that this bill would benefit students in urban areas and would certainly create a funding structure not based on equity.
Please vote NO on HB 1540.

Respectfully,
Alicia Bata

I am a North Dakota taxpayer who does NOT want my tax dollars to fund private schools.
We no longer have children in school but know the importance of a good public education.

March 14, 2025

Dear Members of the House Education Committee,

I am writing to express my strong opposition to House Bill 1540, which seeks to implement an educational voucher program in North Dakota. As a dedicated educator with 21 years of experience working in a North Dakota public school, and as a parent of six children who have all graduated from the North Dakota public school system, I firmly believe that public funds should remain in public schools.

Public education is the foundation of a strong, equitable society. Voucher programs divert critical resources away from public schools, leading to reduced funding, fewer resources, and a diminished quality of education for the majority of students. Since state funding is allocated on a per-pupil basis, every student who utilizes a voucher takes funding away from their local public school, forcing budget cuts, staff reductions, and fewer opportunities for the children who remain in the public system.

Furthermore, vouchers do not ensure equal access to quality education. Private schools are not required to accept all students, particularly those with disabilities or special needs, leaving some of our most vulnerable students with even fewer options. Additionally, vouchers often fail to cover the full cost of private tuition, meaning that low-income families are less likely to benefit from these programs, while wealthier families receive public funds to supplement their private school choices.

Accountability and transparency are also significant concerns. Unlike public schools, private institutions that receive voucher funds are not held to the same rigorous standards, making it difficult to assess how taxpayer dollars are spent or whether students are receiving a high-quality education. Public schools are required to meet strict educational standards and provide services for all students, whereas private schools operate under fewer regulations with little oversight.

Beyond financial and accountability concerns, voucher programs risk increasing segregation within our education system. Private schools can be selective in their admissions, leading to stratification based on socioeconomic status, race, or religious affiliation. Public education should foster diversity and inclusion, ensuring that all students, regardless of backgrounds, have access to the same quality of education.

Ultimately, voucher programs undermine the public education system by shifting funds away from schools that serve the majority of North Dakota's students. Public schools are not businesses; they are pillars of our communities, tasked with educating every child, regardless of ability or background. Our focus should be on strengthening our public education system, not diverting resources to private interests!

I urge you to vote against House Bill 1540 and to continue supporting policies that invest in and improve our public schools. Our children, families, and communities deserve a strong and well-funded public education system that benefits all, not just a select few.

Thank you for your time and consideration.

Sincerely,

Angel Lindseth

Dear Educational Committee,

I am writing to express my strong support for Senate Bill 1540, which establishes Education Savings Accounts (ESAs) for families. This bill would provide parents with greater flexibility to direct the public funds designated for their child's education toward the educational environment that best meets their child's needs.

As a family of eight, we understand firsthand the challenges of securing a quality education for our children. Despite choosing to send our children to Catholic schools, we continue to struggle each month to pay the tuition required. The financial burden is significant, but we believe in the value of a good education, and we are committed to doing whatever it takes to give our children the opportunities they deserve. However, this struggle would be alleviated if we had more control over how public funds for education are spent.

SB 1540 would give families like ours the option to use tax dollars designated for our child's education in a way that best fits our circumstances, helping us meet the high costs of private schooling while also ensuring our children receive a quality education that aligns with our values. School choice should be about empowering parents to choose the best educational option for their children, whether that means public school, private school, or another learning environment.

We know that the traditional education system does not always serve every child's needs in the best way. Allowing parents to make those decisions, supported by the funds that are already earmarked for education, would increase the diversity of educational experiences and outcomes, ultimately benefiting all students. It would also foster greater accountability and innovation in the education system, ensuring schools are better equipped to meet the needs of their students.

I urge you to support SB 1540 and pass it into law. By doing so, you would help families like ours navigate the financial challenges of securing an education that works best for their children.

Thank you for your time and consideration. I look forward to your support in making this bill a reality for families across our state.

Sincerely,

Mary Fleck
Catholic School Parent

Subject: Opposition to House Bill 1540 (Educational Savings Accounts)

Testimony of Alexis Rasset, Mandan Public Schools (Parent & Special Education Teacher)

Honorable Committee Members, thank you for your commitment to North Dakota's students and families. I am both parent of a junior at Mandan High School and Special Education Teacher within the Mandan School District. While I value parental choice in education, I strongly oppose House Bill 1540 as currently drafted.

My primary concern centers on accountability. Public schools are rigorously audited and transparent in their financial management. This bill, however, lacks sufficient public oversight for private institutions receiving public funds through Educational Savings Accounts (ESAs). Taxpayers deserve assurance that their money is being used effectively and responsibly. Diverting funds without robust public accountability undermines this principle.

Furthermore, the argument that private schools achieve superior test scores overlooks a crucial factor: selective enrollment. Private schools can choose their student body, potentially excluding students with academic or behavioral challenges. Public schools, conversely, are committed to educating *all* children, regardless of their needs or backgrounds. This creates an unfair comparison.

Rural schools, vital to their communities, will be disproportionately harmed by this bill. ESAs will drain resources from these already financially strained institutions, offering little to no practical choice for rural students due to accessibility issues.

Instead of diverting funds, we should invest in strengthening our public schools. Equitable access to high-quality education for all North Dakota students, regardless of location or economic status, should be our priority. I support parental choice in supplemental services like tutoring and counseling, but not at the expense of our public education system, especially when private institutions lack appropriate oversight.

In conclusion, House Bill 1540 jeopardizes the foundation of public education in North Dakota. It lacks the necessary financial accountability and will exacerbate existing inequalities. I urge you to reject this bill and prioritize the strength and accessibility of our public schools.

Thank you for your consideration.

To Senate Education Committee Members:

I urge you NOT to pass HB1540—

I became an educator because I believe in education for all, not education for the elite. North Dakota's public schools are strong; I've always been proud to share with relatives living in other areas of the United States that we don't need to send our kids to private schools to get a good education because we have great public schools. However, if we continue diverting public dollars into private schools while providing minimal increases to our public school systems, we will be destroying our ability to have these great public school systems. This bill could cost an estimated $40 million, and yet we have only designated a 2%/2% per student increase toward K-12 public education?

I have over 20 years experience as an educator in this state, and yet last year my take-home salary actually DECREASED due to high health insurance costs and too few dollars coming from the state to support public school systems. I believe I am a strong teacher-- I take my job VERY seriously and am constantly striving to improve student learning. I have a bulletin board where I keep all of the emails and texts I have received from former students, thanking me for preparing them for college/work. However, if I were to do everything all over, I would not choose to become an educator. The lack of funding, lack of respect, and lack of proper support in general is beginning to make public education a dismal career choice, which makes me sad about our future.

Please start moving our public education system in the right direction again. Instead of sending public dollars to private schools—a move that most North Dakotans do not support—let's redirect that money that would be appropriated to this bill and invest appropriately in our public school systems by diverting these dollars to public education, which will benefit ALL communities in our state.

I strongly urge you to issue a DO NOT PASS on HB 1540 and instead show that you care about our public education system, about our hard-working teachers, and-- most importantly-- ALL children in North Dakota.

Tanya Neumiller

High School English Teacher

Senate Education Committee & Senators:

Re: 1540 (educational savings accounts for parents of ND children being educated at an "accredited" non-public format), please consider the following:

A simplified logic for school choice funding - bringing FAIRNESS to ALL ND parents & their children being educated at approved & accredited schools:

1. The ND Constitution requires that our state **provide for and fund** an education for "ALL" ND children.

2. To meet this constitutional mandate, our state has set up an educational system that includes BOTH public schools AND a variety of ACCREDITED "non-public" education formats.

3. Therefore, all education formats that MEET THE REQUIREMENTS for "accreditation" should be properly funded by the state, either to the parents or to the accredited schools. Note: In cases where a non-public education format limits enrollment, the funding formula or other method could be adjusted to reflect this. For example, if a particular non-public education format does not enroll special needs students, and if it is determined that the cost of educating special needs students state-wide is (for example, perhaps 10%), then that education format's formula for either funding to the parents or to the "accredited" non-public school itself could be adjusted to receive only 90% funding, etc. A relatively easy and fair solution.

4. Whether an accredited non-public education format also includes religious content should not matter so long as they have met the requirements to be "accredited" to provide the education required by the state. Note: While the Establishment Clause of the First Amendment prevents the government from establishing any ONE religion; school choice funding that is made equally available to parents of and/or to accredited non-public schools of any, or no religious affiliation, would therefore not be in violation of this clause. For this reason, the same applies to the sometimes misunderstood and misapplied concept of "separation of church and state".

Furthermore, as we know, a U.S. Supreme Court decision (Espinoza v. Montana Department of Revenue) has ruled the Blaine Amendment **unconstitutional**. Therefore, funds which were formerly (and unconstitutionally) restricted for public schools only, are no longer - and are thus now legally available to help educate ALL ND children being sent to any "accredited" school format. Also, there should be no concern about the "sectarian" clause for "public schools" in our ND Constitution, as this bill does nothing to change this. Public schools remain "free from sectarian control".

Finally, ND children are ND children - and they all need to be educated. There is no need to view this subject in a way that unnecessarily pits public against accredited non-public schools. Both formats have been established by our State to educate our children. Public schools will continue to be funded.

With this I encourage a YES vote for this and any bill that provides for a FAIR treatment of ALL ND parents, and their children who are being educated by our state at all approved schools, including at "accredited non-public schools". Thank you for your consideration.

Ken Koehler
307 10 ½ Ave. E., West Fargo, ND 58078

As a rural town public school teacher, please do not pass House Bill 1540. Please choose to support North Dakota's students, families and educators in preserving our current strong public education system. Private schools should not receive the same funding as public schools. Students who attend these schools attend by choice. Not law. What private schools teach is also not determined by the law. Private schools are not held to the same transparency standard as our public schools and therefore, they should not be receiving government funding. Public dollars should remain in public schools where they serve all students, regardless of ability, background, or financial status. Our public schools are the foundation of our communities, and instead of diverting resources away from them, we should be investing in smaller class sizes, support staff, mental health resources and competitive wages for educators. If funds are reallocated, North Dakota's public school systems will begin to crumble.

I am writing in opposition to HB1540 or any other bill that will take money away from public education in the state of North Dakota. I am a parent of students in the Fargo Public School system. My oldest son is a proud graduate of the public school system in ND. He excelled and is now at Vanderbilt University studying Biochemistry. My other son is a Junior at South High in Fargo and hopefully moving on to a prestigious college with a successful public education.

Taking funds from our public schools would be detrimental to the success of all students and it is our state's responsibility to use public funds for public schools. That means the state of ND must support all students regardless of ability, or financial status. Private schools can discriminate for any reason and will leave deserving children in the cold. Anyone with disabilities, such as ADHD or physical impediments, will be overlooked. If our schools lose money, the success rate of our students will drop drastically. The voucher amounts are not enough for middle class families to "choose" private and will leave them to suffer in an underfunded public system.

We are a proud public school family and proof that success can be found with the support of the state for public education.

Sincerely,

Amanda Wilkinson

VALLEY CITY-BARNES COUNTY
DEVELOPMENT CORPORATION

Testimony of
Jennifer Feist, Director of Development
Valley City-Barnes County Development Corporation
Valley City, ND

HB 1540 (In Opposition)

Senator Todd Beard and Members of the Senate Education Committee

I have served as the Director of Development for Valley City-Barnes County for nearly 38 years. I am keenly aware of the workforce challenges, the importance of quality education and the impact to business and community growth across the State of North Dakota.

I am in opposition to HB 1540 that establishes an education savings account program for several reasons.

1) The $40 Million in 2026-2027 and the $80 Million in 2027-2028 should be/must be invested in the public school system that serves over 118,000 public school students.
    a. Our public schools have served the State of North Dakota incredibly well for decades. Valley City Public School was rated the highest in the State in Choice Ready in 2024.
    b. In a press release dated January 29, 2025, Superintendent Kirsten Baesler stated that North Dakota students outperformed national averages in mathematics in the newest results for the National Assessment of Educational Progress (NEAP). In fourth-grade mathematics, five states had higher average scores than North Dakota and six states had higher average scores in eighth-grade math.
2) HB 1540 is problematic and far more costly.
    a. Funds are granted to students until the student graduates high school or reaches twenty-one years of age, regardless of household income. An eligible use of funds is tuition and fees at an eligible postsecondary institution.
    b. Are we providing the same opportunity for students in public schools?
3) HB 1540 Governance
    a. The bill calls for the Bank of North Dakota to qualify private financial management firms to manage and administer the education savings accounts.
    b. Are we setting up a new agency and related operating costs?
    c. Misuse of funds will be referred to law enforcement for investigation. Does this mean the Attorney General's Office or the States Attorneys across North Dakota will be responsible?
    d. How and who will be policing, monitoring, and enforcing the provisions of this bill and at what cost?
    e. This governing language conflicts with two other sections of HB 1540, specifically:

i. No. 4, Item a on Page 6 starting with Line 21 – The department (meaning the Department of Public Instruction) may not regulate the educational program of a participating nonpublic school or education service provider that accepts funds from an education savings account, except as provided under this chapter and chapter 15.1-23.
ii. No 4, Item c on Page 7 starting with Line 1 – Participating nonpublic schools and education service providers must have the freedom to provide for the educational needs of the school's students without governmental control.
iii. If funds do not constitute taxable income, will the State provide an equal amount in the form of a tax credit to parents or students who are enrolled in a public school? I believe funds would be subject to federal income tax.

f. Transportation time will cut into learning time.
g. A multimedia marketing program is included. Who and how will the marketing campaign be executed and at what cost? Are we providing the same opportunity and funding to public schools?

North Dakota's public schools must be our priority. Funds must be invested in school buildings, equipment, curriculum, Career Centers, wages, additional innovation, STEM, and more to meet the needs of students and employers. This is critical.

We raise our children to be accountable. HB 1540 utilizes $120 Million with no accountability. Our public schools have served the State of North Dakota with remarkable success and have earned investment by the State of North Dakota. I urge a no vote on HB 1540. Thank you.

I would like to give my public written testimony to this measure.
We must NOT pass either SB 2400 or HB 1540 in any way shape or form.
My tax dollars have been, and always should be designated for PUBLIC SCHOOLS only.
Many of our rural schools are on the brink of financial collapse as they attempt to follow state DPI guidelines. By diverting my tax dollar to private schools or home school vouchers you are taking away from rural North Dakota.
I am a 4th generation North Dakotan and my Grandchildren are 6th generation. We have all attended public education and have or will become integral parts of ND society.
I can not see how destroying rural schools is going to be 'better' for anyone.
Our state constitution specifically states that ALL students are intitled to free public instruction.
If someone wants to send their child to a private school, that is their decision and I should not be forced to pay or give up anything for someone else's personal preference.
At the Heart of any community is its school district, I feel the smaller rural schools are more so the center of a community.
We have lost too many of these fantastic schools and the communities are soon to follow.
My daughter attended one such school that was forced into cooping. Her and her 2 other classmates were preforming at 5-7th grade levels when they finished the 2nd grade. This education was far and away some of the BEST education provided her. Not all small schools are 'bad' and not all large schools are 'good'.
PLEASE see the common sense and do not fund private schools with our tax money. Continue to build the HEART of rural North Dakota instead of ripping it apart!!
Sincerely,
Michael J Sandy
Oakes ND

Testimony in Support of House Bill 1540

Dear Members of the House Education Committee,

I am writing today in strong support of House Bill 1540.

I am a resident of the West Fargo school district. Fargo and West Fargo are home to some of the largest school districts in North Dakota. While these districts serve many students well, others thrive in smaller educational environments that provide a more personalized approach to learning. As a parent who has chosen Oak Grove Lutheran School in Fargo for my children's education, I know firsthand the significance of school choice and the impact it has on students and families. The ability to choose this environment for my children is invaluable, but the financial burden is significant. House Bill 1540 would alleviate some of this burden, making school choice more accessible for families like mine.

School choice is an approach that has been embraced in many states, offering families flexibility in how they educate their children. Research indicates that these initiatives can lead to improved academic performance, higher graduation rates, and increased college enrollment. Additionally, competition from school choice programs has been shown to enhance public school performance while creating fiscal savings for taxpayers.

Critics argue that school choice diverts funds from public schools. However, evidence suggests that public school funding remains strong, and states with school choice programs have seen continued investment in public education. House Bill 1540 represents an opportunity for North Dakota to empower families with educational choices and recognize that every child is unique and deserves access to an environment where they can thrive.

I urge you to support HB 1540 and help provide North Dakota families with the freedom to choose the best educational path for their children.

Thank you for your time and consideration.

Sincerely,
Sharlynn Berns

House Bill 1540
Hearing date: Monday, March 17th, 2025

In support

My name is Daniel Neff. I attended private education kindergarten through 12th grade along with my two siblings. I attended two public colleges in North Dakota and received the State Scholarship. I moved to Minnesota for 3 years, but returned to Bismarck to plant roots and to send my children through the same private school system I attended. I am now employed by that private school system.

I believe families should have the choice between private and public-school offerings. Private school can be cost prohibitive. I am grateful for the economic sacrifice my parents made to send me to private school, though it is not a reality for every family. I believe that the existence of private schools and their accessibility benefits all North Dakotans in the **shared goal of an educated citizenry.**

However, I do not believe that cost should be a barrier for families in identifying the best fit for their child's academic needs. North Dakota public and private schools both have strong academic outcomes, but a student may succeed better in one environment versus the other.

It is in the best interest of academic outcomes for students and for North Dakota that private schools continue to prosper hand-in-hand with public schools in North Dakota.

Thank you,

Daniel Neff

danneff44@gmail.com

What if I don't have a choice?

Hello Chairman Beard and committee members. Thank you for the opportunity to testify today in opposition of HB 1540. My name is Sheila Peterson, I am a physical education teacher at Wachter Middle School in Bismarck, the 2024 North Dakota State Teacher of the Year, and **the parent of a child who didn't have a choice**.

In 2013, when my daughter was 2.5 years old, she got kicked out of three daycares in a month. The last one happened to be the same day I was accepting my Wachter Middle School Teacher of the Year award. On that day I got a call to come pick her up at 2:30. When I arrived, my daughter was standing on top of a table in tears, the workers circled her also in tears, one said to me, "Something is wrong with her, she cannot come back here." At this point, I took my daughter to my award ceremony, stood in front of my colleagues with a 60-pound baby giant asleep in my arms, as she had been exhausted by the stress of her day. You may wonder, what did I say in my acceptance speech? The speech was a simple tearful three words, "I NEED HELP." I said, "I apologize, I can no longer deliver a speech today, I thank you all for this amazing honor, but I need new daycare tomorrow."

As I searched for a new place for my daughter, I thought Montessori and private school might be the best option for her pre-schooling. I called and left three very detailed messages at the local private schools that offered early childhood and did not even receive a response. I did get one Montessori to call me back and let us in. I paid the deposit and the first two months tuition in advance because I knew she was going to be a challenging student. By noon of her first day, I received a call stating I needed to pick her up, it wasn't going to work out because the parents who send their kids there have high expectations, and my daughter was not going to work with her other clientele. She said she couldn't have parents calling and upset. My daughter was kicked out of her pre-school, and it wasn't up to us. In other words, ***we did not have a choice.***

Thankfully, I also reached out to our public education system, who took my phone call and directed me to early intervention screening. My daughter was given the opportunity to attend her elementary school in the early childhood classroom. Each day, I waited for the dreaded phone call telling me she "no longer worked with their clientele," but it never came. My daughter was given her Autism diagnosis at the age of 2.5, at her school she was given access to 2 instructional aides at times, occupational therapy, physical therapy, and speech therapy. When she received this diagnosis, I remember worrying about a million things. I asked myself the following questions:

"Will she ever learn to tie her shoes?" She would learn.
"Would she ever learn her letters of the alphabet and their sounds?" She would learn.
"Would she ever learn to read?" She would learn.
"Would she ever go a day without having a meltdown?" She would be taught self-regulation, and she would learn. Not only that, she would win one of four school citizenship awards.
"Would she ever not have to be followed around by an aide all day?" She would become independent.
"Would she ever understand her math and not need remedial math?" She would take Algebra 1 in high school.
"Would she ever be on the honor roll?" She is.
"Would she ever win a Varsity letter?" She has 2.
"Would she ever get her permit?" She has.
"Would she ever compete at state?" She has. The list goes on and on.

This list is here because of the public educators and education support professionals that never gave up on my child. You see, in the beginning she never had a choice, **public school *gave her* that choice.**

What I'm getting at is this: **are we truly proposing choice for every child in North Dakota? My family didn't have a choice.** I cannot help but wonder how the money being proposed to fund private school tuition could instead be used to benefit every child in North Dakota, children like my daughter. How much more successful would North Dakota's students be if every child had the opportunity to receive a quality early childhood public education, not just the kids private schools are willing to accept. Imagine if the 90% of North Dakota students that attend public schools entered kindergarten ready to learn on day one. As a parent and an educator, I think there are plenty of ways we can improve education in North Dakota. But this isn't it.

For these reasons, I am asking for a DO NOT PASS recommendation on HB 1540. I thank you all for your service to the citizens of this great state that I have been so proud to represent this past year, and I'm happy to answer any questions you might have.

To the ND Legislature:

I write in strong opposition to HB 1540, which would provide taxpayer dollars for private school tuition.

- The majority of communities in our great state do not even have a private school option, so the rural folks would help subsidize an option realistically only available to city dwellers.
- We need to direct as many resources as possible to our public schools; our teachers are underpaid and many are discouraged.
- Honor the constitution by keeping church and state separate. Do NOT allow public dollars to fund religious organizations.
- And don't we all envision those religious, private schools as reflecting Christian values? And yet I presume a private school founded upon a violent ideology could also qualify. How would the citizens of ND feel about that?

We are a proud state of hard-working, values-driven people. And one of those values is respecting the separation of church and state. We enrolled our own child in a religious private school years ago---and would **never** have expected public dollars to help fund that choice of ours. Please do NOT use our tax dollars in *any way* for private tuition.

Mona Rindy
Rural Portland, ND

Birgit Pruess, Ph.D.
3696 Harrison St. S
Fargo, ND

March 14, 2025

RE: HB1540

Dear members of the 69th Legislative Assembly of North Dakota,

I am a resident of Fargo, ND. Please, accept the below as my testimony IN OPPOSITION of HB1540, to "create and enact a new chapter to title 15.1 of the North Dakota Century Code, relating to an education savings account program; to provide an appropriation; and to provide an effective date."

I am generally against using tax dollars to fund private schools. I am all for choices, but choices come with consequences and one of those may be that you will have to pay for your choice. I don't see anything wrong with this. But tax dollars are public dollars and should be used for public services. Especially now when we don't know how many federal dollars will still flow into our State. We should keep our money together and use our precious tax dollars for public services. And I consider public education one of the more important of such services. There is no future without educating our young.

I highly recommend a DO NOT PASS vote on this bill.

As in all my testimonies, I much appreciate the hard work and dedication that each member of my state legislative assembly puts into our state. Thank you.

Sincerely and respectfully Birgit Pruess,
Ph.D.

Mr Chairman Elkin and members of the Senate Education committee,

My name is Joe Drumm. I'm a Science teacher, Coach, advocate for public schools and citizen of North Dakota. I'm urging you to vote DO NOT PASS on HB 1540.

I've written and provided testimony this entire session on Education related bills, and 1540 will be no exception. This bill seeks to create an ESA account with very little 'accountability', instead focusing on getting dollars into the hands of private school families and institutions.

My biggest talking point all session has been accountability, and this bill goes out of its way to assert that private schools, homeschooling and other adjacent qualifying parties would NOT be accountable to the state. As outlined before, as a public school teacher I'm accountable to my principal, who's accountable to the superintendent, who's accountable to the board which is accountable to the public (via voting) and the state legislation.

The public has multiple avenues of input in the educational process, and gets input in how my school spends its dollars. The state subsidizing entities that have no such accountability is bad practice and policy. **68% of North Dakotans agree**. They don't want public dollars being spent on private entities. Vouchers have a history of leading to a decline in funding to public schools, inherently hurting the 2⁄3 of students who don't have access to private schools anyway (and may not be able to homeschool) ... all of these points have been made before through this entire legislative session.

The fact of the matter is (as outlined in several other testimonials I've given), schools are hurting. Inflation, rising insurance costs, rising cost of living ... All of these contribute to the crunch ND schools feel. Diverting funds in this way does not improve the greatest public good we offer our youth in this state: public education.

I encourage the team that penned this (and all other ESA like legislation) to keep looking for creative ways to fund, support and enrich public schools but to not place these funds into private entities. Our schools do not need creative ways for funding to leave our doors, we need more revenue coming in to combat these issues.

I strongly encourage this committee to reject HB 1540 and vote 'do not pass' on this legislation. Thank you for your work, time and consideration.

J Drumm

Chairman Beard and Members of the Senate Education Committee,

My name is Alena Hall, and I am a senior at Our Redeemer's Christian School. I am writing to express my support for House Bill 1540. My family lives in Newburg, ND, which is about an hour away from our school.

Back when it was first time for me to start school, my mom and dad made the decision to send me and my two siblings to a Christian school. They knew that there would be lots of sacrifices involved, but they felt strongly that it would be completely worth it. This has involved financial sacrifices, as my dad is a modest farmer. We likely wouldn't be able to afford a Chrstian education if my mom hadn't gotten a job teaching at Our Redeemer's. Also, in order to make the commute shorter on weekdays, we decided to purchase a second house in Minot, and return to the farm on weekends. My mom and dad knew it would be hard and that there would be nights that we wouldn't get to be together as a family, but they also felt that the decision they made to send us to Our Redeemer's would be one that they would never regret.

Now as a senior, I can say that the sacrifices have been absolutely worth it. Through my time at Our Redeemer's, I've grown in my faith so much, and I've also gotten a rigorous education. On top of this, I've also grown as a person through my Christian education. I've had the privilege of having strong, encouraging, and knowledgeable teachers as role models who have helped instill in me a Biblical worldview. I've gotten to be in God's Word every day, and I've grown in my relationship with Him exponentially at Our Redeemer's. I will always appreciate the sacrifices my parents made to send me to a Christian school, and it is my hope and prayer that through HB 1540 more students will have the same opportunities as me.

I believe that there are many more families like mine who want to give their kids a chance to have a Christian education but lack the means to do this. Bills like this help encourage

families to choose the educational option that works the best for them and reflects their values. The freedom of religion is a core value in our great nation, and allowing students to choose schools that allows them to grow in their faith is something that fits with the values our country was established on. Giving students the choice of where to go to school can help increase the productivity of our society and foster personal growth in students that aligns with their beliefs. Choosing a Christian education is something that involves sacrifice, but HB 1540 would help make this sacrifice easier for many. I humbly ask you, the members of the Education Committee, to give this bill a “do pass” recommendation to help make education better for us all. Thank you all so much for your time and your service to our state.

Respectfully,

Alena Hall

Good afternoon members of the House,

My name is Danielle Wangler. My testimony is on behalf of myself as a parent and does not represent a position of any public school entity.

I write my testimony in **support of House Bill 1540**.

I am a proud single mom to a 15-year-old boy who attends Bishop Ryan Catholic School in Minot. I have been involved in education, in some form, for over 17 years. In high school, I taught Sunday school classes and was a part of a program that tutored peers and elementary students. Since then, I have attended college and obtained several degrees. I have been an educator in the Minot Public Schools system for 11 years. This year is my third year as an elementary school counselor. I am also an assistant cross country and track coach for Bishop Ryan Catholic Schools. I have had the opportunity to work with a variety of students, both in public and non-public school settings, from age ranges of 3 to 18 years old.

I grew up in a traditional catholic family and have always valued the teachings and beliefs of the Catholic faith. When I became a parent, I went through a spiritual journey that was powerful and, honestly, is the reason I was able to be successful in my education while being a single mom. That spiritual journey and the support I received from my family and faith, made an impact on my son. In second grade, he expressed an intense desire to learn more about his faith. When asked the common question of, "What do you want to be when you grow up?" his response was "a priest".

In order to provide the best I could for my son, I sought guidance from my family, particularly my grandpa, and priests and educators in our church. I found encouragement and support for things I could do at home that I practiced with fidelity. Even with that support, I knew it wasn't going to be enough for my son. I felt as a parent, I had to do more for my son's thirst for learning about his faith and explore what it means to be what he wanted to be when he grew up, a priest.

I quickly realized that the public school system could not accommodate his particular learning style and interests to reach the goal of being a priest. Throughout my years as an educator in addition to all of the professional development I've received, I have learned that each student has a unique learning style and external factors that contribute to their willingness and ability to learn in a classroom setting, eventually leading them to successes later in life.

Public school could not accommodate my son's need for learning about his faith, and his interests and need for faith-integrated education was controversial at best. As a parent, I could not shake the feeling of doing him a disservice by sending him to a public school that would tell him his beliefs and faith-filled questions could not be answered and were actually discouraged. I also knew as a single parent with no co-parent support, the financial aspects of providing him with the education he needs was going to be substantial on a teacher's salary.

When my son was in fourth grade, I made the choice to send him to Bishop Ryan Catholic School because his need for knowledge of the Catholic faith continued to grow and his love of learning was being sacrificed in the public school setting. I continue to sacrifice and strive for a faith-based education because I know it is the only place that could best meet my son's individual need for learning not only for academics, but the faith, morals and virtues he desires to live by.

I believe in public schools. I believe in non-public schools. In the end, the financial support given should be about the student and their individual needs. I financially support public schools and non-public schools and believe that as long as the funding is for the benefit of students, then it is a good investment. I believe that change is needed so that all students in North Dakota will have the opportunity to have an education that meets their individual needs. House Bill 1532 supports the current need for change so that all children have a right to an education that suits their needs and interests. **My son and I would greatly appreciate your support for House Bill 1540.**

Thank you for your work on the Education Committee,

Danielle Wangler

Danielle Wangler

As a public school teacher and a parent of two children attending a rural public school, I am opposed to any measures that siphon funding away from our public schools. Voucher programs, or in this case, education savings accounts, redirect public funds to private schools, primarily benefiting families who can already afford private education.

In North Dakota, most families—especially those in rural areas—lack access to private schools. I am proud to teach in a small town where our school serves as a cornerstone of the community. Our school supports students from several surrounding towns, with some children spending hours each day traveling by bus. The closest private school is 40 miles away, which would add yet another hour to students' commutes.

Proponents of these programs often frame them as providing "choice" in education. However, when private schools are inaccessible, as they are for the majority of rural families in North Dakota, there is no real choice. In fact, only 32% of North Dakota counties have access to a private school. For the rest of us, the best choice is a well-funded, high-quality public school close to home.

I urge you to stand with rural families and public school educators by opposing voucher programs and supporting robust funding for public schools. Our children deserve equitable access to education, regardless of where they live.

To: Education Committee Members
From: Beth Ivesdal
Re: Support for HB1540
Date: March 14, 2025

Dear Education Committee Members,

As a resident of the Bismarck Public School district and a parent of four school-aged children, I am writing to express my strong support for HB1540. The funds proposed in HB1540 will help ensure that families are empowered to make decisions to best advocate for their children's success.

I have seen firsthand the positive impact that private education has had on my children. They are currently enrolled in a private school where they are thriving academically, socially, and spiritually.

I respectfully ask for your support in moving HB1540 forward.

Thank you for your time and consideration.

Sincerely,
Beth Ivesdal

March 12, 2025

Dear members of the committee:

My name is Virginia Clinton-Lisell and I'm an associate professor of Educational Foundations and Research at the University of North Dakota. I am sharing this testimony as a private citizen and not speaking on behalf of UND. I am submitting this testimony to inform the committee as to the research evidence on how public funds for private school tuition (through vouchers or educational savings account). I am mentioning my position to clarify that I am an expert in the field of education research. I have been involved in training or practice of education research for almost twenty years and have over 60 peer-reviewed publications.

Below are main findings from recent journal articles on the topic in italics.

Based on 8 years of student data from 45,000 students in Indiana, vouchers lead to private schools "pushing out" low performing students into public schools. This led to lower overall performance in public school. The authors concluded that state funds for private tuition worsens education for the students who struggle the most in school.

Waddington, R. J., Zimmer, R., & Berends, M. (2024). Cream skimming and pushout of students participating in a statewide private school voucher program. *Educational Evaluation and Policy Analysis*, *46*(4), 795-803.

This is an analysis of a voucher system in Lousiana for low income families and how it lead to a drop in English Language Arts and math scores on standardized exams for students who received vouchers.

Mills, J. N., & Wolf, P. J. (2017). Vouchers in the Bayou: The Effects of the Louisiana Scholarship Program on Student Achievement After 2 Years. Educational Evaluation and Policy Analysis, 39(3), 464-484. https://doi.org/10.3102/0162373717693108 (Original work published 2017)

The patterns noted in Louisiana were similar in Indiana in a voucher program for low-income students. According to this study's analysis, students who received vouchers performed worse on mathematics assessments.

Waddington, R. J., & Berends, M. (2018). Impact of the Indiana Choice Scholarship Program: Achievement effects for students in upper elementary and middle school. *Journal of Policy Analysis and Management*, *37*(4), 783-808.

This is a synthesis of 39 studies on the enrollment of students with disabilities in public and private schools in 31 states with public funds for private tuition. Based on these results, there is substantially lower percentages of enrollment of students with disabilities in private schools than public. The authors cite evidence that private school administrators discourage parents of

students with disabilities from enrolling, not allow students with disabilities to enroll, and remove students with disabilities who are enrolled.

Senese, J., & Winters, M. A. (2024). School choice and students with disabilities: Evidence from administrative data. *Remedial and Special Education*, 07419325241262699.

This is a report from the Economic Policy Institute that explains how public funds for private tuition harm funding for public schools. It includes an excel spreadsheet that calculates the impact of an individual student.

Wething, J. (2024). *How vouchers harm public schoolsCalculating the cost of voucher programs to public school districts.* https://www.epi.org/publication/vouchers-harm-public-schools/

Similarly, this is an analysis of how Arizona's educational savings account program has been much more expensive than estimated. Over 5,000 public school teachers in Arizona could have been hired to help address teacher shortages with the net cost of ESAs.

Griffith, M., & Burns, D. (2024). Understanding the Cost of Universal School Vouchers: An Analysis of Arizona's Empowerment Scholarship Account Program. *Learning Policy Institute*. https://eric.ed.gov/?id=ED642536

Thank you for your consideration,



Virginia Clinton-Lisell

I strongly oppose HB 1540 because it diverts critical funding away from our public schools, hurting students, teachers, and communities. As a taxpayer, I believe public money should support public education—not private schools that can pick and choose their students. My grandchildren and my students deserve fully funded schools with quality resources, experienced teachers, and strong programs. This bill threatens that by taking funds away from the schools that serve the vast majority of North Dakota's children. As an educator and a grandparent, I cannot support a policy that undermines the foundation of public education and would damage my livelihood, MY students' education, and MY grandchildren's future which will impact North Dakota's future as well.

I am writing to urge you to oppose HB 1540.

Taxpayer monies should be used to support our public schools, not private schools. I recognize that parents have a choice where to send their children (if they live in the few locations of North Dakota that actually have alternatives). However, that is their choice and should not place an additional burden on the taxpayer or public schools. I am proud of the education that my children received in the Grand Forks Public Schools, and do not want to see public schools harmed by having monies diverted to private education.

Please vote no on HB 1540.

Thank you for your time and consideration.

Gregory Vandeberg
801 Boyd Dr
Grand Forks, ND 58203

I am writing in strong opposition to HB 1540. As a proud public school educator for 17+ years, I do not understand why we would take money away from an area that is so instrumental throughout our state and country. Public dollars should remain in public schools where we work hard to educate ALL individuals. North Dakotans have consistently opposed a voucher program - 68% of North Dakotas (according to an ND United survey) are opposed to giving public money for private schools) – why would you voting against what the majority of your people want? Please consider directing our public money into our public education system. The current 2% proposal per pupil K-12 is not enough. As a veteran educator, I have lived the increasing challenges, demands, and changes in our public system... passing this bill will have a significant negative impact on our public school system. I strongly urge you to issue a DO NOT PASS on HB 1540. Please stand up for ND students, families, and educators like me in preserving a strong public education system!

March 14, 2025

TO: Honorable Members of the Senate Education Committee

FR: Benjamin & Anne Chambers – District 35

RE: HB 1540

Dear ND Senate Education Committee Member:

We are writing to urge and encourage your support for HB 1540 and to vote with a **DO PASS** recommendation. This bill was previously heard and supported by the North Dakota House of Representatives.

This bill would provide additional resources by way of an Educational Savings Account to those families who financially sacrifice to enroll their children in a private school environment. The majority of these individuals (including us) contribute financially to fund our public schools through the property taxes incurred.

By way of background, both Anne and I are blessed with two young children and for various reasons we relocated from South Dakota to North Dakota to serve in Bismarck as teachers in a private school. As you are aware, the salaries and benefits offered for private school teachers are less than a public school. However, for numerous reasons this is a sacrifice we were willing to make.

We have enjoyed living in North Dakota and look forward to raising our children here. Your support of this legislation would be greatly appreciated and most timely!

Thank you in advance for your consideration and support.

Benjamin & Anne Chambers
2245 Grant Drive
Bismarck, ND 58501
701-426-0917
Bdchambers2012@gmail.com

March 14, 2025

TO: Honorable Members of the Senate Education Committee

FR: Wayne & Valerie Jundt – District #8 Burleigh County

RE: HB 1540

Dear ND Senate Education Committee Member:

It is our understanding that HB 1540 will be heard by your committee during the week of March 17, 2025. This bill would expand ESA's for parent's and guardians who financially sacrifice to enroll their children into a private school environment.

For numerous reasons, we believe this is a prudent and responsible way to support our North Dakota tax paying citizens and invest in our school aged children.

It is important to point out that we are NOT opposed in any way to public education. In fact, Wayne served as a Nationally Certified School Counselor in the North Dakota public education system for nearly 30 years. Our public schools and teachers work hard to serve the children of this state; and the members of our legislative body have historically committed **millions of dollars** to the public education system.

North Dakota has the financial resources available to support this legislation and NOW is the time to provide and support those tax paying citizens who for various reasons choose to enroll their child in a private school environment.

We are writing to urge and encourage your support for HB1540 and to vote with a DO PASS recommendation.

Thank you in advance for your service and commitment to support all citizens of our great state!

Wayne M & Valerie Jundt
3202 84th Avenue NE
Bismarck, ND 58503
701-471-3312
vjundt@yahoo.com

Testimony opposing public money from going to private schools:
This is in the ND Constitution:

ARTICLE VIII EDUCATION

Section 1. 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 insure 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.

I oppose any efforts that will take public dollars from public schools. To do so would hinder the ability of the state to maintain the current public school system. Moreover, many private schools may be run by churches or religious groups and therefore would violate the provision "free from sectarian control". I see a lawsuit coming from more than one direction. Let's not invite trouble.

I, my husband, and children all went to public school. These varied from a large city to a country school graduating under 20 seniors. We did just fine learning the basics 3R but also more or less how to get along with peers and teachers of varied backgrounds. We learned that life isn't always fair or nice or black and white. Rather, it's important to be able to think for oneself , based on the best knowledge available and one's own values but also acknowledge others' lived experiences.

Parents have the choice to homeschool their kids if they have the time, money and/or interest; they also have the right to send them to a private school if available. But my tax money should not be used to subsidize educational entities that are not "open to all children of the state".

Dear Legislature

I cannot think of a worse time in our history to be taking public dollars and diverting them to private schools. And at the same time propose giving a 2% increase in funding to our schools. You are not giving enough money to support the public schools needs to reduce class sizes, retain good teachers in North Dakota, and fight the teacher shortages. Our overall education level is going down in North Dakota and we are fighting that by allowing more and more unqualified personnel to work in positions because we are short teachers. Teachers are asked to deal with so much more with mental health issues, trauma issues, large class sizes, and the countless extra meetings. And then they are told, there will be no money for raises this year. Public schools do not have wealthy alumni donating money to help them meet their needs, and yet they are held to much higher standards and accountability than the private schools

The large majority of North Dakotans do not approve of diverting money from their public schools and giving it to the private schools, so I am interested in knowing why this bill is being pushed through. I have been teaching for 38 years in North Dakota, and I have never been so disappointed in the level of disrespect and lack of support as I do now. I strongly urge you to come to the aid of the North Dakota public educators that are fighting all odds daily to give our young people the best chance to succeed in their future. Please issue a DO NOT PASS on HB 1540. We need your support.

Sincerely,

Paul Kvislen

Math Department Chair

Kindred Public School

FORT RANSOM SCHOOL DISTRICT NO. 6

135 MILL ROAD, FORT RANSOM, ND 58033-4011

PHONE 701-973-2591, FAX 701-973-2491

https://www.fortransomsd.us/

Testimony in Opposition to HB 1540

To the Chair and Members of the Senate Education Committee,

I am submitting this testimony in opposition to HB 1540, which proposes the creation of an Education Savings Account (ESA) program. As the Superintendent of the Fort Ransom School District, I have seen firsthand the challenges that rural schools face, particularly in light of declining enrollment and the ongoing difficulty in retaining qualified staff.

Fort Ransom is a small rural district with an enrollment of just 11 students. Recently, our community held a public hearing to discuss the future of our school, driven by concerns about the continued decline in student numbers. It is worth noting that, if not for current school choice options, the enrollment at Fort Ransom would be more than double. Despite these choices, our district still struggles to compete with larger, wealthier districts for staff and resources.

The proposed ESA program would only exacerbate these challenges. Diverting funds to private education options will place additional strain on already underfunded rural districts, like Fort Ransom, which rely heavily on stable public school funding. The financial pressures of declining student enrollment and the diversion of resources through the ESA program could force the closure of schools and further weaken the fabric of rural communities.

Rather than promoting policies that divert public education funding to private options, we should focus on policies that support rural schools. These include efforts to address staffing shortages, secure adequate funding, and ensure high-quality education for every student. The future of rural schools, including those like Fort Ransom, depends on a collective commitment to strengthening public education, not undermining it.

I urge you to consider the long-term effects of HB 1540 on rural schools and vote against this bill. Our children and communities deserve policies that invest in and support public education, not proposals that divide and weaken our educational system.

Thank you for your time and consideration.

Sincerely,
Dr. Steven L. Johnson
Superintendent
Fort Ransom School District #6

Honorable Legislators:

Please VOTE NO DO NOT PASS HB 1540, the education savings program account bill, donating state taxpayers' money to private school expenses for families. "Private school" means private—it is paid for privately, at the choice and discretion of the PRIVATE CITIZEN, not out of taxpayer dollars. Public schools are paid for by taxpayers, and they do not always even get sufficient funding to do all that they are mandated to do. We have no need to diminish the monies available to public schools. END OF STORY. Please vote no on this bill.

Sincerely, Susan Dingle, homeowner, taxpayer, exclusively educated in public schools and proud of it, and a voter in every election

Dear Members of the Senate Education Committee,

I am writing to express my support for House Bill 1540, which represents an important step toward ensuring educational opportunity for all North Dakota students. By establishing an education savings account (ESA) program, this bill provides families with greater flexibility in choosing the best learning environment for their children. As parents of two young children, choosing the best educational environment for our children is one of the most important decisions my wife and I will make, and is something we do not take lightly.

By passing this bill, parents will be provided with the flexibility to choose the best educational path for their children. This is an investment by the State of North Dakota in its students and their educational outcomes, which is, ultimately, in the best interest of the State of North Dakota. Providing financial support to all North Dakota families will allow more students to benefit from the educational environment that best fits their needs.

HB 1540 is a piece of legislation that demonstrates North Dakota's commitment to educational opportunity, parental rights, and student success, and I urge the committee to support this bill. I thank you for your time and commitment to North Dakota's students and families.

Respectfully,

David Neff

Vote NO on HB1540.

Please do not divert public monies from public schools. Public schools are the backbone of our society and need strong support. They are especially crucial in rural areas where private education options may not be available.

Terri Hedman, 5524 16 Street South, Fargo, ND 58104

Oppose HB 1540 and SB 2400

Dear Committee and Chairperson:

Thank you for thoughtfully considering the wishes of most North Dakota citizens by opposing legislation to fund private and religious schools.

- This will likely be litigated, costing the taxpayers you are elected to serve
- Funding private schools will leach funds from public schools
- Teachers and school administrators and the teacher's union oppose this action, isn't it time to listen to our teachers?

Public education is the pride of our nation and must be protected. We are asking, are you listening?

Please **oppose** HB 1540 and SB 2400

Terri Hedman

5524 16 Street South

Fargo, ND 58104

North Dakota Home School Association

Serving Home Educators since 1985

HB 1540 – Neutral

Chairman Beard and Committee Members,

I represent the North Dakota Home School Association (NDHSA). As an association we are remaining neutral on this bill as it no longer affects us; homeschooling was amended out at our request to the sponsor.

The North Dakota Home School Association is the only statewide homeschool association. We have worked tirelessly since 1985 to secure homeschool freedom and autonomy. Our organization works to assist all families in parent-funded, parent-directed home education. We have a mailing list of over 1200 families. Our state office answers questions from parents and our special needs coordinator assists families in finding resources. Our annual convention provides a vendor hall to look at curriculum and there are multiple breakout sessions covering many topics, including "How to Begin Homeschooling, which covers the law and practical helps for success.

Our organization has posted the following official position on ESA's:

We Believe:

- *Parents are responsible for the education of their children.*
- *Those who receive funding should be accountable to the source of those funds.*
- *The freedom to educate according to one's conscience is more important than financial support.*
- *"School Choice" is best achieved through deregulation and lower taxes. This empowers parents and communities to determine what works best for the children entrusted to them. With fewer financial constraints, families will have more resources to allocate as they see fit.*
- *Funding homeschools will ultimately* ***reduce*** *"School Choice" because government-funded schools are no longer truly independent. A major limitation of public schools is their obligation to be accountable to the public rather than to parents. While this is appropriate since the public funds them, it also restricts parental authority.*
- *When tax dollars are used for education, some taxpayers inevitably fund belief systems that they do not support.*
- *A public school option already exists. Funding home educators will erode their independence. Instead, efforts should focus on improving public schools while allowing and trusting parents to educate their children as they see fit.*

Therefore be it resolved that the NDHSA is opposed to any public funding of home education.

Theresa Deckert
North Dakota Home School Association
Legislative Liaison/Volunteer Lobbyist
701-230-8166

March 15, 2025

Chairman Beard, members of the Senate Education Committee, and all Senators,

My name is Collin Pigeon. I am an educator in North Dakota and live in District 9 in Rolla, ND. This is currently my 8th year as an educator in Rolla and 9th overall. I teach Junior High English and High School Social Studies. I greatly enjoy working in our state as it has been my home all of my life.

I am writing this letter to you today concerning HB 1540. HB 1540 would create an Education savings account program for students in our state. Like SB 2400, it has many problems that concern me. I urge you to vote against this bill as constructed and give it a DO NOT Pass recommendation. It benefits private school students at the expense of our public school students, who make up over 90% of all of our students in the state. In my view, It is also a threat to religious liberty in our state and goes against "separation of church and state." It is also not fiscally responsible and comes with a potentially high sticker price of 40 million dollars.

This is a bad bill for a wide variety of reasons. Homeschooling and private schools are important parts of the education system in the US, and I have great respect for them. At the same time, public school is the anchor of the American education system. It has been since our founding as a nation and was an integral part of developing our American Democracy. Public schools' importance is especially true in ND as many children live in rural areas where private schools are not an option. Funding going to other schools is money taken from those rural public schools most ND children rely on. I understand the argument made that this is new money being allocated. Still, though, the money comes from taxpayers and could be put toward public education.

The price tag of this bill($40 million) would better serve the people of our state if it was added to the general education bill spending being worked on. Making that amount of money only accessible to better the education of under 10% of ND students isn't fiscally sound.

There are many reasons why private schools should not get tax dollars at all. And in my view, if the money is given by the students and their parents from these accounts to the private schools, it is as good as just giving it to them directly. Private schools do not have to answer to the state for how they spend money like public schools do. They are not also held to the same standards in terms of accommodating students. As a class B school educator, I truly believe that the variety of students we educate makes our school community stronger. However, educating students on IEPs or students with other disabilities adds extra costs and time requirements for public schools. Private schools do not have to accept these students. If private schools are going to get this extra funding, they should be subject to the same requirements as public schools.

We live in a state and country where parents have choices about how to educate their children. HB 1540 would now ask others to help pay for parents' choices to have children attend private schools by establishing a savings account that could be used to make payments to those schools. As a general principle, I do not think private schools should get taxpayer funding. This is particularly true for religious schools. I favor a broad interpretation of the Establishment Clause in keeping with the vision of "separation of church and state" outlined by our founding fathers.

I am concerned about this bill's effect on religious liberty. In Carson v. Makin (2022), https://www.oyez.org/cases/2021/20-1088, the Supreme Court ruled that funding given by a state to private schools needs to go to religious private schools equally. In our state, we have a number of private religious schools. This means this bill will send taxpayer dollars to schools that

promote a certain religion. To reiterate, this violates our country's long-held separation of church and state ideals. North Dakotans' tax dollars would potentially fund religious institutions that conflict with one's own religion. Tax money collected from Lutheran North Dakotans should not have to fund private Catholic schools and vice-versa. Christians' tax money should not have to go to a potential private Hindu or Islamic school should either one someday be in our state. The government should not entangle itself with religion in this way by funding private religious schools, even in this indirect manner.

Again, I take no issue with accredited private schools, no matter their nature, but I do with them getting funds that should go to public secular education. Private schools should not get funds from the government in this manner. Religious liberty needs to be protected across our state, too. Giving funding to private religious schools harms religious freedom. While this bill is well-intentioned, I think it is not fiscally sound, bad for rural ND, and favors private school students in a morally and legally wrong way. Please vote NO on this bill or amend it to improve it to address some or all of the issues it possesses. The House vote on this bill was close and I hope the Senate does the right thing and rejects this bill. I appreciate your time and consideration. Please contact me with any questions or thoughts at Collin.Pigeon@gmail.com. Thanks for all you do to represent our state. Truly, as a Social Studies teacher, I know how thankless and important the job of a state legislature is.

Thank you,

Mr. Pigeon

Rolla, ND

Dear North Dakota Senate Education Committee,

I am writing to express my strong opposition to HB 1540, which proposes allowing state public funds to be used for private schools. As a dedicated public school teacher with over 30 years of experience in the classroom, I have witnessed firsthand the profound impact that adequate funding has on student success, teacher retention, and school resources. Diverting public funds to private institutions would have devastating consequences for our public education system, further widening the gap between public and private students.

Public schools serve **all** students, regardless of socioeconomic status, ability, or background. They are the backbone of our communities, providing not only education but also meals, counseling, special education services, and extracurricular activities that shape well-rounded individuals. Every dollar given away to private schools—many of which are not held to the same accountability and transparency standards—weakens the ability of public schools to fulfill these critical roles.

As someone who has dedicated a lifetime to public education, I have already seen the strain of underfunding in our schools: outdated textbooks, insufficient support, and buildings in dire need of repair. Instead of funneling public money into private institutions that can selectively admit students, we should be strengthening our commitment to public schools, ensuring every child has access to a high-quality education regardless of where they live or what their family's financial standing may be.

Furthermore, the proposed bill undermines the fundamental principle of public education—that taxpayer dollars should be used to support institutions that serve **all** students, not just a select few. Private schools are not required to accept students; public schools are. Public money should be invested in schools that are open and accessible to all, not in schools that can exclude students based on their own set of criteria. Shifting public funds to private schools does not accomplish these goals; rather, it weakens the institutions that serve the vast majority of our state's children.

I urge you to vote against HB 1540 and instead advocate for policies that invest in the future of public education. Our students, teachers, and, most importantly, our communities depend on a strong, well-funded public school system. Thank you for your time and consideration.

Sincerely,

Jean R. Bartz, M.Ed.

Drake Anamoose High School

My name is Sister Lillian Long. I am writing in opposition to HB 1540.

Our public tax dollars should be used for public purposes. Diverting tax dollars from Public Schools to Private schools is harmful to our Public schools. You have recently denied paying for meals for ND students with the rationale being not enough money to provide those meals. Instead of diverting public money to private schools, I encourage legislators and community members to invest in our public school children, expanding universal school meals, supporting mental health resources, and keeping class sizes manageable.

Private schools do not have to provide services that are required of public schools. My nephew had his two oldest children in a Catholic School. They loved the school and education they received. However, their youngest child had special needs. The private school did not have the ability (nor requirement) to meet her needs. So, she was enrolled in the public school. Meeting the needs of those students who need special attention is costly and falls on the budgets of public schools. Private schools can cherry pick whichever students they choose to educate, leaving the public schools carrying the burden of providing required care for any and all students, regardless of their abilities.

At this time, with uncertain funding at the federal level, our state's most vulnerable students risk losing the most.

Public funds should NOT be going to private schools. Taxpayers money is for PUBLIC entities.

Sister Lillian Long
Berlin, ND

Testimony on HB 1540

Chair Beard and Members of the Senate Education Committee:

I am Daniel Rice from Fargo and retired Dean and Professor of Education from the University of North Dakota. (My views expressed here are not intended to represent those of the university.) I write in OPPOSITION to HB 1540.

1. The citizens of North Dakota have consistently rejected the use of tax payer funds for private schools since the adoption of our State Constitution. This remains true today as validated by several polls.
2. It is clear that the legislature should respect the will of the majority of citizens and not divert public funds to parents who support private schools or parents who chose to home school their children.
3. The State Constitution requires the state to provide public schools for ALL of the children of the state. If parents chose to reject the opportunity of free public education for their children, they are obligated to bear the cost of that rejection. The state should not reward them for rejecting public schooling.
4. The *public* schools are the constitutional and only responsibility of the state. The public schools in North Dakota face shortages of qualified teachers, financial challenges, and in many cases, inadequate and outdated facilities and equipment. It is irresponsible for the state to divert funds away from the public schools to parents who support private schools or who chose to home school their children. The administrative cost alone for an educational savings account program is estimated to be $3million per biennium.
5. By diverting public funds for non-public educational experiences, children may be taught ideologies and theories that are not in the public interest, for example anti-science concepts such as “creationism,” false narratives about US history, anti-democratic political concepts such as Christian Nationalism. Parents who endorse these views should not expect the state to pay to support them.

For all of these and other reasons, I urge the committee to give HB 1540 a DO NOT PASS recommendation.

Daniel Rice, retired Dean and Professor of Education, UND

BISHOP RYAN
CATHOLIC SCHOOL

To Chairman Beard and members of the Senate Committee on Education:

I want to begin by saying sincerely that my colleagues and I are proud to help the State of North Dakota to achieve its interest in maintaining an educated populace. For nearly 100 years, the Catholic schools of Minot have helped the State of North Dakota educate its citizens, and in doing so, we help this great state to fulfill its interest in education; and we have done this against great odds, and at tremendous cost.

The problem is that while we capably help the State of North Dakota achieve its interests in education, the State does not reciprocate by investing in children whose educational needs are not best met in a public school system. For too long, the rhetoric around educational funding in the legislature has mistaken the means for the end. The State's constitution makes it clear that the purpose for which the State maintains a "free public school system open to all children" is that government by the people requires an educated populace. The public school system is a means, not the end of the state's interest in regulating education. Nobody argues the importance of our public schools. They are an essential means for the State to use to achieve its educational interests. What is important to note, however, is that the educational needs of some of the citizens of the state go beyond what the public school system provides. Thus, for the wellbeing of all of its citizens, the State should provide meaningful and proportionate financial support to these students because their education also matters to the state.

In the 1925 Supreme Court decision in *Pierce v. Society of Sisters* the court's decision found that the State of Oregon's move to compel all normal children to attend the public school violated the rights of parents. The court wrote: "The fundamental theory of liberty upon which all governments in this Union repose excludes any general power of the State to standardize its children by forcing them to accept instruction from public teachers only. The child is not the mere creature of the State; those who nurture him and direct his destiny have the right, coupled with the high duty, to recognize and prepare him for additional obligations." While we might not have compulsion in our current state of affairs, we definitely have coercion, financial coercion that disincentivizes parents from enrolling their children in the public school because of the lack equitable financial investment in their children if they are not in the public school system.

Pierce rightly recognized that parents have a right and duty to prepare their children for additional obligations than those to the State. Education is the primary means of

passing on culture, religion, and custom. For many parents, education is not a neutral and secular endeavor. It is also a religious endeavor that is meant to prepare children to meet their obligations toward God, their church, and even their future spouse and children. Our current funding model for education disadvantages parents that require more from their child's school than what a public school can give.

Since the 1800s, Catholics in this country have been forced to foot their own bill for the education of their children at great personal sacrifice because anti-Catholic sentiment shaped the very nature of educational funding in our country by discriminating against "sectarian" schools. To quote Chief Justice Roberts' opinion of the court in *Espinoza v. Montana*: "It was an open secret that 'sectarian' was code for 'Catholic'. The Blaine Amendment was 'born of bigotry' and arose at a time of pervasive hostility toward the Catholic Church and to Catholics in general; many of its state counterparts have a similarly shameful pedigree."

Thankfully, the odious Blaine Amendment, which has been used by the public school lobby for decades to quash the attempts to bring equity to educational funding has finally been identified as unconstitutional by the U.S. Supreme Court since Blaine Amendments discriminate against the free exercise of religion by parents who have a God-given and constitutional right to direct the education of their children.

I believe that if this legislature remains focused on the fact that the State's interest in K-12 education extends to all of its children, not just those served by the public school system, it will recognize that dollars should follow children wherever they are best served in their education, as long as the education they receive satisfies the basic interests of the State outlined in the constitution.

A clarifying question comes to mind: What is the value of a diploma granted to a graduate of Bishop Ryan in the eyes of the State? Our graduates meet or exceed the requirements of the state of North Dakota for all approved schools. Our graduates satisfy completely the interests of the State in educating its populace. And yet, the investment in our kids is exactly $0. The actions of the state of North Dakota toward our students tells them what their legislature thinks of them: Even though their diploma accomplishes the same purpose for the state, non-public school students are not worth investing in because they are not attending the "right" school. The time has finally come to put aside the fear-based rhetoric on the part of the public-school lobby, which has shown itself to be concerned primarily in maintaining a monopolistic, non-competitive place in the educational environment.

BISHOP RYAN
CATHOLIC SCHOOL

Why do you as a legislator care where a student goes to school as long as the education they receive meets the constitutionally outlined educational goals of the State? Why should you pick financial "winners" and "losers" based upon where a parent believes their child will get the education that they need? That is, in fact, what is now happening. The State is picking "winners" and "losers" financially in the area of education and by doing so also putting its hand on the scales in favor of public school systems over parental discretion and student needs.

As the president of a school system that has been educating children in the Minot area for almost a century, I hope the legislature can finally acknowledge in a meaningful way the fact that we serve a vital need for parents in our community, **and** we fully satisfy the state's interests in education for the children that attend our school. Our diplomas are every bit as valuable to the state as Minot Public's, West Fargo's or Washburn's. It's time for the state to recognize this by investing in our children too.

Thank you for your time and consideration.

Sincerely,

Fr. Jadyn Nelson

Fr. Jadyn Nelson, M. Ed
School President

Dear Chairman Heinert, Chairman Beard & Members of the Education Committee,

I am writing in opposition to HB1540 which would set up an Educational Savings Account for non-public school students. I would ask for a “no” vote on HB1540.

On Feb. 25, 2025, the following statement was shared in support of HB1540 on the House Floor before the members voted. “Scholarships, ESAs, and vouchers are a few examples of mechanisms that can make school choice a reality for every family; leveling the playing field and providing equal opportunities for all students.”

These types of statements are a false narrative coming from lobbyists, outside interests, and our legislators supporting the plan to fund non-public schools by way of ESAs and vouchers. Ironically, it is the non-public schools that HOLD ALL THE CARDS because they do not accept every child to attend. Some families are devastated when their child is not accepted or no longer allowed to attend the school in which they have made the choice to attend. No entrance for orthopedic needs, severe learning disabilities, behavioral needs, English language learners, severe speech/language, severe neurodivergent disorders, attendance factors, etc. Our non-public school administrators will testify about students they do accept with special needs or IEPs, but it is very few and with minimal specialty services.

When public tax dollars from government funds are used to fund a non-public school, our citizens should expect those schools to ACCEPT ALL students. Accepting all students would provide “equal opportunities for all students” as stated on the House Floor. If public dollars are made available to help families afford tuition costs, then ANY child should be accepted. This would “level the playing field”..

In our larger North Dakota cities, the choice for a different academic setting is already available. Here again, this does not “provide equal opportunities for all students” as our rural communities don’t have this choice with HB1540. The narrative coming from legislators setting this bill will “provide equal opportunities” is not accurate.

I ask you to VOTE NO on HB1540
Amy Neal
Kindergarten Teacher & 2016 ND Teacher of the Year

Chairman Beard and members of the Education Committee,

I am writing to urge you to recommend a DO NOT PASS on House Bill 1540. I am a rural parent with children attending Grafton Public School District, and my husband is a teacher at Fordville-Lankin School in Walsh County, an extremely rural public school. Growing up, I had the unique experience of being homeschooled in grades K-5 and then attending Grafton Public School District from 6th grade onward. Having experienced both a form of "private" education and public school, I support parents' right to choose how they educate their children. However, passing this bill will have serious negative consequences.

Our public schools are the heart of our rural communities, and I see every day how vital they are to our children's future. Yet, they are already struggling with limited resources. We cannot afford to divert public funds away from them. Parents who choose to homeschool or send their children to private school have the right to do so, but using public taxpayer dollars to subsidize those choices does not benefit the majority of North Dakotans and will ultimately harm most of your constituents.

With 93% of North Dakota's students attending public schools, we must invest in them, not weaken them. Our children deserve strong, fully funded public schools that serve every community.

As a parent, I want my children to attend a fully funded public school that provides all the necessary services, especially for students with disabilities. Every child deserves access to quality education and support, no matter their needs or where they live. Public schools welcome all students, regardless of ability, background, or income. This bill would take critical funding away, primarily benefiting metro areas while leaving rural communities with fewer resources and no private school alternatives.

Please reject HB 1540 and stand with North Dakota's families.

Thank you,

Joelle Schmuck

I am writing in opposition to bill 1540. Taxpayers should not be paying for people to send their children to private schools.
If you are going to allow for this then all taxpayers should have a voice where their tax dollars are spent. I for one would not want
my tax dollars spent on private schools. People are more than welcome to send their children to private schools but that is their choice
and should be paid for by them.

March 17, 2025

Testimony in Support of House Bill 1540 – "Do Pass" Recommendation

Senate Education Committee
North Dakota Legislative Assembly

Dear Chairman Beard and Members of the Senate Education Committee,

I urge you to give House Bill 1540 a "Do Pass" recommendation. This bill expands educational opportunities for North Dakota families by enhancing Education Savings Accounts (ESAs), making it easier for families to afford the best education for their children.

HB 1540 empowers parents by allowing them to direct funds toward tuition, curriculum, and other educational expenses that best fit their children's needs. By supporting this bill, you are promoting school choice, fostering competition, and strengthening education in our state.

Education should be about opportunity, not financial limitations. Please support HB 1540 to give North Dakota families more options for success.

Thank you for your time and consideration.

Sincerely,

Stephanie Fortner
Bismarck, ND
District 47

Testimony on House Bill 1540
Presented by Shane Goettle on Behalf of the State Association of Nonpublic Schools
March 16, 2025

HB 1540

Mr. Chairman and members of Senate Education Committee, my name is Shane Goettle, and I am here today representing the State Association of Nonpublic Schools. I appreciate the opportunity to provide testimony on House Bill 1540, a bill that proposes a significant step toward ensuring educational opportunity and equity for all North Dakota students.

This legislation establishes an education savings account (ESA) program, providing families with greater flexibility in choosing the best educational environment for their children. The ESA model empowers parents by offering financial support that can be directed toward tuition, educational services, and other qualified expenses. This approach is not only consistent with national trends but aligns with North Dakota's long-standing commitment to parental rights and educational excellence.

Strengthening Educational Choice and Parental Rights

As we consider the future of education in North Dakota, HB 1540 represents a meaningful and necessary advancement in how we support students and families. It recognizes that while public schools serve many students well, there are circumstances where alternative educational pathways better meet individual learning needs.

A recent statewide poll confirms that a substantial majority of North Dakotans support school choice policies, including the use of taxpayer dollars to assist public, private, and homeschooled students. Specifically, 64% of likely voters expressed support for such initiatives, with 43% indicating strong support. This data underscores a significant public endorsement for ESAs, which empower parents to allocate funds toward educational environments that best suit their children's unique needs. Implementing ESAs would provide families with the flexibility to choose appropriate educational settings, thereby enhancing educational outcomes across the state.

The constitutional framework of our state provides the legislature with the authority to develop policies that enhance educational access beyond the traditional public school system. HB 1540 does exactly that. By directing state resources toward student-centered funding, the bill ensures that parents, not bureaucratic systems, are the ultimate decision-makers in their child's education.

Constitutional Argument for Funding Choice in Education

The opponents of funding for choice in education frequently invoke North Dakota's constitutional provisions to argue against funding for nonpublic schools. However, these arguments are legally outdated and no longer hold merit.

- **Full Context of Article VIII of the North Dakota Constitution:**

    - **Section 1:** Establishes the requirement for a system of public, emphasizing the importance of public education as a foundation for democracy.
    - **Section 2:** Mandates a uniform system of free public schools, extending through higher education, but explicitly allows for tuition, fees, and service charges to assist in financing higher education.
    - **Section 3:** Requires that all schools provide instruction on civic virtues such as truthfulness, public spirit, and respect for labor.
    - **Section 4:** Grants the legislature broad authority beyond public schools, stating that it must take additional steps to prevent illiteracy, ensure uniformity in education, and promote industrial, scientific, and agricultural improvements.
    - **Section 5:** Limits funding raised specifically for public schools from being allocated to sectarian schools but does not apply to general state funding.

- **Section 4 and Its Legislative Authority Beyond Public Schools:**

    - Sections 1, 2, and 3 focus exclusively on public education, specifically the establishment, maintenance, and governance of the public school system, ensuring free public education and directing state resources toward public schools.
    - However, Section 4 shifts the focus from public schools alone to broader educational responsibilities, instructing the legislature to take any necessary steps to improve literacy, standardize education, and support scientific, industrial, and agricultural progress.
    - This section does not limit legislative action to public schools alone but rather affirms the Legislature's responsibility to improve education as a whole, including through nonpublic schools.
    - This section grants the legislature the authority to promote education broadly, including funding initiatives beyond public schools, such as parental choice programs, nonpublic school support, and specialized learning initiatives.
    - By authorizing the legislature to address educational needs beyond the strict confines of the public school system, Section 4 provides clear constitutional justification for policies like the Bill you have before you.

- **Article VIII, Section 5, and the Limits of Its Application:**

    - This section states that *"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."*
    - However, it is critical to recognize that this applies only to funds specifically raised for public schools, such as local property taxes and state-allocated funds ("school lands") earmarked for public education.
    - General state funds, such as the general fund, strategic investment and improvement funds, or legacy fund earnings, are not subject to this restriction and may be lawfully allocated to support parental choice initiatives.

- **Legal Precedents Supporting the Constitutionality of Parental Choice:**

- The language prohibiting certain public funds from finding their way to a "sectarian school" has has it origin in the series of "Blaine Amendments" which were state constitutional language required of several states who entered the Union in the late 1800s.
- The federal Blaine Amendment, a late 19th-century provision, was introduced as an effort to prohibit public funds from being used for religious education. Though this attempt at a federal constitutional amendment failed, many states, including North Dakota, incorporated similar provisions into their constitutions. These provisions were largely driven by religious discrimination rather than neutral funding policies. Over time, legal challenges have significantly weakened the enforceability of these amendments.
- The U.S. Supreme Court has ruled that excluding religious schools from generally available public benefits violates the Free Exercise Clause of the First Amendment.
- ***Espinoza v. Montana Department of Revenue*** **(2020):** The U.S. Supreme Court ruled that a state cannot exclude religious schools from generally available public benefits simply because they are religious in nature. Montana's attempt to prohibit religious schools from receiving funds under a tax credit scholarship program was deemed unconstitutional under the Free Exercise Clause of the First Amendment.
- **Carson v. Makin (2022):** The Court expanded on *Espinoza*, ruling that if a state provides a public benefit program that includes private education options, it cannot prohibit funds from being used for religious schools solely based on their religious identity.
- ***Pierce v. Society of Sisters*** **(1925):** This landmark case affirmed that parents, not the state, have the fundamental right to direct the education of their children, reinforcing the validity of school choice initiatives.
- **North Dakota Attorney General's Opinion 2022-L-07** made it clear that the Blaine Amendment language in the North Dakota's constitution is unenforceable under federal law. The opinion affirmed that state policies must align with U.S. Supreme Court rulings, which have struck down state attempts to exclude religious schools from generally available public benefits. While the opinion addressed teacher support grants, its broader legal implication is that state restrictions based on religious affiliation cannot be upheld where they contradict federal constitutional protections.

Accountability of Nonpublic Schools

Another concern often raised regarding choice in education is whether nonpublic schools operate without sufficient oversight. This is simply not true.

- **North Dakota has some of the strictest nonpublic school regulations in the country**:
  - North Dakota is one of only two states in the nation where nonpublic schools must meet approval requirements identical to public schools.
  - It is the only state that requires all nonpublic schoolteachers to be state-certified, ensuring that students receive high-quality instruction.

- ***SOURCE**: See attached "Regulation of Nonpublic Schools" and "How does North Dakota rank in its treatment of nonpublic schools?"*

- **Nonpublic schools must adhere to extensive state regulations**, including:
  - Approval by the North Dakota Department of Public Instruction to operate any elementary or secondary nonpublic school. *N.D. Cent. Code §15.1-06-06.*
  - Mandatory teacher certification. N.D. Cent. Code §15.1-18-07, -08, & -09.
  - Same length of school year and days. *N.D. Cent. Code §15.1-06-04 (sections 3 and 6).*
  - Meet state curriculum standards. *N.D. Cent. Code §§15.1-21-01 & -02, 15.1-21-02, §15.1-21-24*
  - Compliance with health and safety codes applicable to all educational institutions. *N.D. Cent. Code §§15.1-06-10, 23-07-16, 15.1-06-12, 15.1-18.2-04, 15.1-19-22.3.*

- **Nonpublic schools are directly accountable to parents**. Unlike public schools, which assign students based on geography, nonpublic schools must continuously earn parental trust and enrollment through academic quality, transparency, and student success.

Conclusion

HB 1540 is a forward-thinking piece of legislation that builds on North Dakota's commitment to educational opportunity, parental rights, and student success. By establishing education savings accounts, this bill expands access, empowers families, and strengthens educational outcomes across the state**.**

I urge the committee to support the idea of ESAs, recognizing its constitutional foundation, legal soundness, and its role in fostering a more dynamic and student-centered education system in North Dakota.

Thank you for your time and consideration.

Regulation of Nonpublic Schools

Eight States Require All Nonpublic Schools to be Approved by the State

Maine
Maryland
Massachusetts
Michigan
New Hampshire
North Dakota
Rhode Island
Washington

In Only Two of those States are the Approval Requirements for Nonpublic Schools Identical to the Requirements for Public Schools

Massachusetts
North Dakota

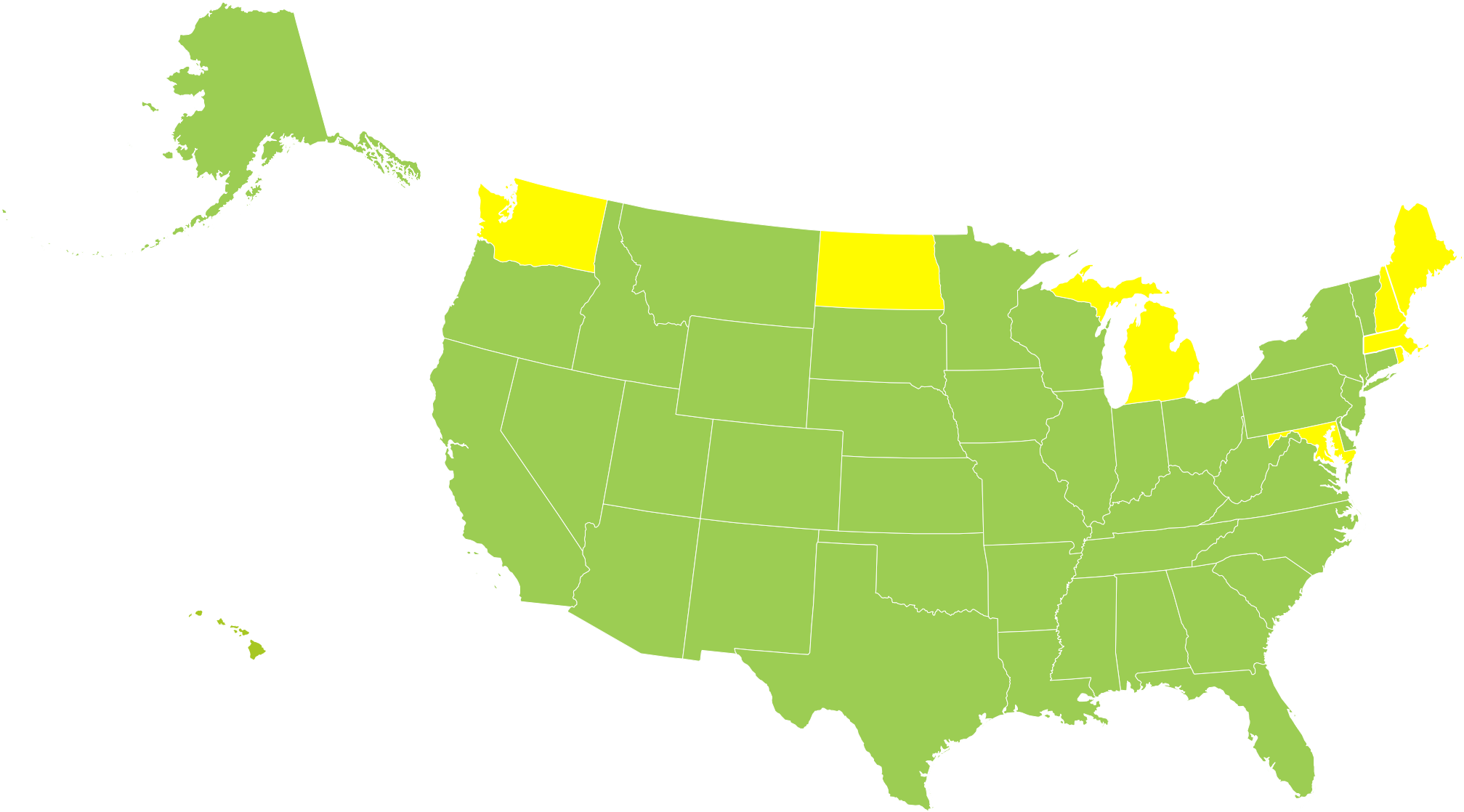
Only one of those Two States Requires Nonpublic School Teachers to be Licensed by the State

North Dakota

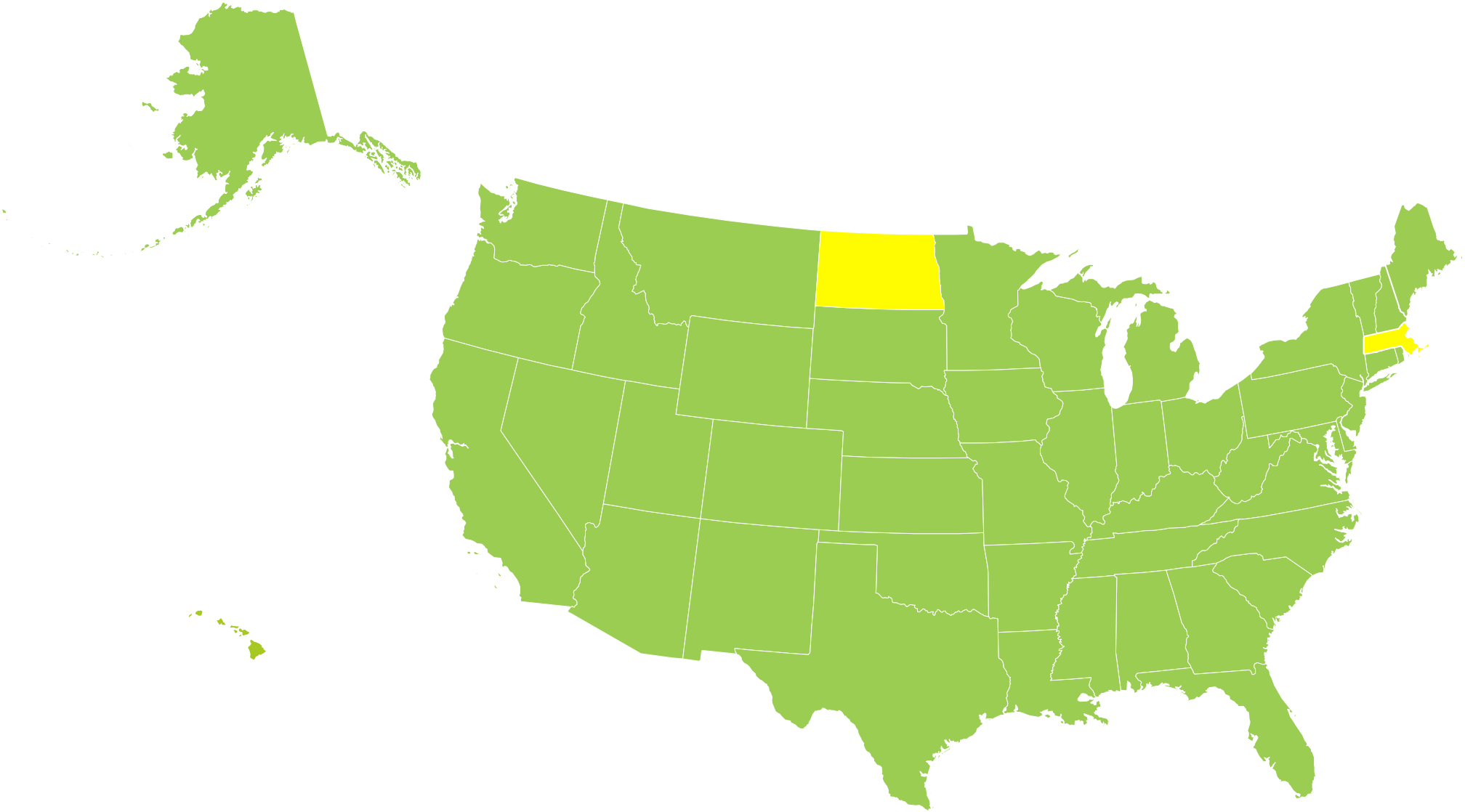
This leaves North Dakota as the only state in the nation that mandates both state approval for nonpublic schools identical to that for public schools and state licensed teachers in nonpublic schools.

SOURCES: STATE REGULATION OF PRIVATE AND HOME SCHOOLS, U.S. DEPARTMENT OF EDUCATION, 2025; SPECIFIC STATE LAWS.

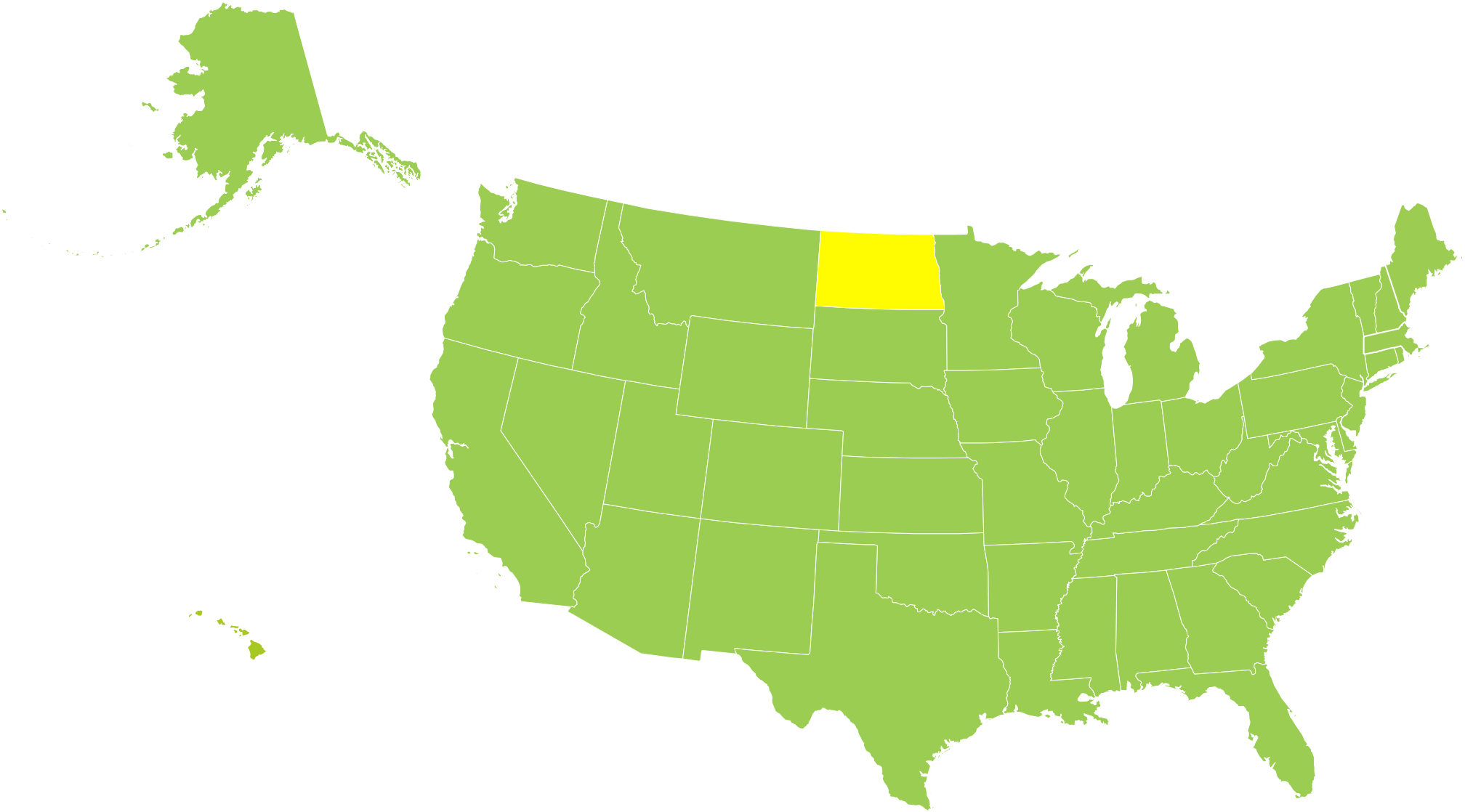
How does North Dakota rank in its treatment of nonpublic schools?



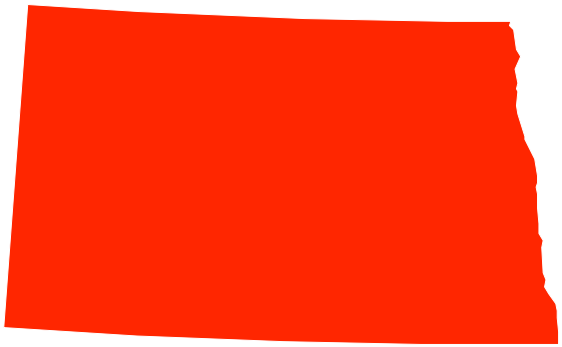
Only eight states require state approval of all nonpublic schools.



In only two of those states are the approval requirements identical to public schools.



Of those two states, only one requires classes to be taught by certified teachers.



This leaves North Dakota as the only state that mandates both state approval identical to public schools and state certified teachers.

Sources: State Regulation of Private and Home Schools, U.S. Department of Education, 2025; specific state laws.

Esteemed members of the 69th Legislative Assembly,

My name is Montana Ackman, I live within District 23 in Williston, North Dakota and I am writing to you today to strongly urge you to vote “No” on HB 1540.

Our local schools within our District 7 need the funding that has been dedicated to them to serve the children within our community. Our town has more than doubled in population within the last ten to fifteen years and our school system has consistently struggled with meeting the needs of our ever growing population within the constraints of our budget. In the over ten years that I have lived in Williston, we have constantly needed to be expanding our existing schools and building new and bigger schools as quickly and as often as we are able to do so.

Williston has voted in favor of increasing our property taxes to this end no less than twice in five years.

Parents in our town have no real feasible options besides public schools because we do not have other schools. HB 1540 provides no real tangible benefits to our area and instead takes the money that we have paid in taxes and gives it away to schools and parents who already have so many more options available to them than our schools and our parents as this supposed benefit will almost exclusively be able to be taken advantage of only by students and parents who live in our more urban areas (Bismark, Mandan, Fargo, Grand Forks, etc.) at the detriment to the funding of literally every other town and school district within our state.

I urge you to think realistically as you think of the education of our children. Our children are our future, but without proper funding to ALL schools within North Dakota, what future are we creating for our children?

Bearing all of this in mind, I am strongly urging you to think of the small and rural schools within North Dakota and vote “NO” on HB 1540 as this bill that would funnel money away from the students and teachers who make up the majority of our great state.

Thank you for your time, consideration, and service to our state.

Respectfully,

Montana Ackman

I am writing to express opposition to North Dakota House Bill 1540. This bill would divert essential public funds away from our public schools to private and nonpublic institutions, ultimately undermining the strength and equity of our public education system.

Public education is the backbone of our communities, ensuring that every child—regardless of socioeconomic background—has access to quality education. HB 1540 would shift money away from public schools benefiting a select few at the expense of the vast majority of students. At a time when public schools are already struggling with underfunding, teacher shortages, and outdated facilities, redirecting funds to private institutions exacerbates these challenges and widens the educational divide.

This legislation poses significant concerns for several reasons:

Diversion of Public Funds – The bill allocates millions of taxpayer dollars to education accounts, directly reducing the resources available to public schools. These funds could instead be used to improve infrastructure, support teachers, and enhance learning programs that benefit all students.

Lack of Accountability – Unlike public schools, which are subject to oversight by elected school boards and state education agencies, private institutions that benefit from ESAs are not held to the same transparency standards. Without proper regulation, there is a heightened risk of financial mismanagement and misuse of funds, with little accountability for student outcomes.

Increased Inequality – The ESA program disproportionately benefits families who can already afford private education, leaving lower-income students in underfunded public schools. This move will deepen existing disparities, as those who can supplement ESA funds with personal resources will have greater educational opportunities than those who cannot.

Erosion of Public School Quality – By siphoning funding from public schools, this bill weakens the very institutions that serve the majority of North Dakota's children. Public schools are already facing staffing shortages and rising operational costs; further reductions in funding will only lead to larger class sizes, fewer extracurricular activities, and diminished academic resources.

While I fully support the right of parents to choose the best educational path for their children, public tax dollars should be invested in strengthening public schools, not in subsidizing private education with limited oversight.

I urge you to vote against HB 1540 and instead advocate for policies that invest in public education, ensuring that every child in North Dakota has access to high-quality, well-funded schools.

Thank you for your time and consideration. I look forward to your response and to your support in preserving and enhancing our public education system.

Andy Bertsch
District 5 Resident

16 March 2025

To Chair Heinert and the Members of the House Education Committee,

My name is Jenni Momsen, and I am a parent of two children in the Fargo Public School system, and a professor at NDSU.

I urge a DO NOT PASS on HB 1540.

These bills go by many names - education savings accounts, scholarship programs - all seek to divert public dollars to private schools. They are school vouchers. Public schools serve all students, regardless of financial need, ability, or background. Private schools do not - for that reason alone, we should not allow public, taxpayer money to be diverted to private schools.

Further, this bill - and others like it - will benefit a small minority of students. Most communities in North Dakota do not have private school options. These bills will effectively drain money from these communities and their public schools. Our taxpayer dollars should be used for the public good - and that means investing in our public schools, not taking money away.

Again, I urge a “Do Not Pass” recommendation from the committee and a “No” vote on the floor on HB 1540.

Sincerely,
Jenni Momsen

Respectfully Submitted by Megan Gilje, M.Ed. – Grade 4 Teacher, Rolette Public School District

Chairman Beard and Members of the Senate Education Committee:

I have been a public school educator for 21 years. I taught in Bismarck for 5 years and in rural school districts for the last 16 years. Regardless of the distinct differences between Class A and Class B schools, one common thread unites every North Dakota public school educator: a passion for our work and an unwavering commitment to the young people we teach.

For those of us teaching in rural school districts, we have to do all this with less. The challenges rural schools face is manyfold in comparison to larger public schools:

- Limited resources for technology, materials, and specialized services.
- Difficulty in attracting and retaining qualified teachers due to lower salaries and fewer professional development opportunities.
- Inadequate transportation funding, which results in longer bus rides for students.
- A lack of access to extracurricular and enrichment activities, as well as college advanced placement and dual credit, due to limited funding and smaller budgets.
- Shrinking rural tax bases.

Rural schools are more dependent on state funding than larger schools. Yet, over the years, state funding for rural school districts has fallen short. If House Bill 1540 becomes law, this challenge will become significantly worse.

In North Dakota, 93% of students are enrolled in public education, with many lacking the option for private schooling. For example, in my community of Rolette, the closest private school is a 90-minute drive away. So, why should my public tax dollars fund an education that is unavailable to my daughters?

Even more important, why is the state government prioritizing private education for a few at the expense of public education for more than 90 percent of her children?

The reason is simple. HB 1540 is a deliberate attempt – advanced by national groups – to undermine public education throughout the United States. Under the guise of 'personal choice,' HB 1540 diverts money from public education to private schools, many of which already enjoy strong financial support from alumni and supporters.

If enacted, the ramifications of HB 1540 will have far-reaching consequences on all public schools – the impact will be especially and unfairly pronounced for rural school districts, which will have even fewer resources to work with.

Public education is the greatest American creation. It fosters a skilled workforce and strengthens the middle class. In rural towns, public schools serve as the heart of the community. HB 1540 would plunge a dagger into the heart of rural schools. The bill favors families residing in North Dakota's metro areas, discriminates against rural students, and is grossly unfair to taxpayers in rural school districts.

I urge you to vote NO on HB 1540.

Sincerely,

Megan Gilje, M. Ed.
1006 1st Avenue
Rolette, ND 58366

I urge you to vote against HB 1540 and give it a DO NOT Pass recommendation. It benefits private school students at the expense of our public-school students, who make up the majority of students in our state. It is also a threat to religious liberty in our state and goes against "separation of church and state." It is also not fiscally responsible.

There are many reasons why private schools should not get tax dollars. Private schools do not have to answer to the state for how they spend money like public schools do. They are not held to the same standards in terms of accommodating students. However, educating students on IEPs or students with other disabilities adds extra costs and time requirements for public schools. Private schools do not have to accept these students. If private schools are going to get this extra funding, they should be subject to the same requirements as public schools.

What about the Establishment Clause in keeping with the vision of "separation of church and state" outlined by our founding fathers.

I am concerned about this bill's effect on religious liberty. In Carson v. Makin (2022),https://www.oyez.org/cases/2021/20-1088, the Supreme Court ruled that funding given by a state to private schools needs to go to religious private schools equally. In our state, we have a number of private religious schools. This means this bill will send taxpayer dollars to schools that promote a certain religion. This violates our country's long-held separation of church and state ideals. North Dakotans' tax dollars would potentially fund religious institutions that conflict with one's own religion. Tax money collected from Lutheran North Dakotans should not have to fund private Catholic schools and vice-versa. Again “ separation of church and state. “

Public schools' is important in ND as many children live in rural areas where private schools are not an option. Funding going to other schools is money taken from those rural public schools most ND children rely on. The bulk of the money comes from taxpayers who are unable to afford private schools and should be used for public education, which will benefit the majority of our children.

Again, I urge you to vote against HB 1540 and give it a DO NOT Pass recommendation.

Thank you for your consideration.
Barb Carley

Dear Senator,

My name is Michelle Murphy, I am a retired kindergarten teacher from District 20.
I am writing in opposition of HB 1540 because I believe it is the state's responsibility to continue full funding for public schools as they are meant for ALL students regardless of ability, background, or ability to pay.
If you choose to reduce funding small, rural schools they will struggle to retain or hire highly qualified teachers, provide extracurricular activities, offer advanced courses or services for mental health and special education.
If you choose to use public money for private schools, many communities, families and children will be left behind because there are no options for rural communities.
If you choose to use public money for private schools, my grandchildren will not have the same opportunities their parents did because too many cuts will need to be made.
Please vote no to ensure NO CHILD IS LEFT BEHIND OR LEFT OUT.
Thank you for your work, I know you are always trying to do the best for all of us.

Sincerely, Michelle Murphy

John M. Pederson
235 2nd Ave NW
Mayville, ND 58257

March 16, 2025

Dear Committee Members,

I write in opposition to HB 1540 which will give taxpayer dollars to fund private schools. This violates the principle of separation of church and state enshrined in the First Amendment to our Constitution. It will also encourage an exodus from public schools, giving them less resources to provide for the students who may be left behind. If people wish to go to a private school, that is certainly their right. However, the public taxpayer should not bear any of that expense.

Thank you.

Sincerely,

John M. Pederson

Chair Beard and members of the Senate Education committee:

I urge a DO NOT PASS recommendation out of this committee on HB 1540.

HB 1540 will take taxpayer money for public schools and divert it to private schools. There are so many things wrong with this. You ought to be appalled by the idea, but let's talk about it pragmatically and with a broad lens.

Who stands to gain from this? 93% of ND's student population go to PUBLIC schools. What if every parent in ND decides they want the voucher, credit, money, etc. that the legislature will lawfully provide to send their kids to a private school?

There aren't enough private schools. Any idea like this ought to scale to every person that it could possibly apply to, but it cannot. Most rural communities have zero access. Already, we have a problem. There is no school choice in rural ND. This bill is using public money, but it's not for the public, because the entire public does not have access.

Even in Fargo, ND's biggest population center, there's nowhere near the private school infrastructure to support all students. So, who gets in? Who gets preference and why? Who do you think Shanley, Oak Grove, etc. are going to let into their schools? Who has the best chance to get in? You know where this discussion is going, right? It’s going to a hurtful, hateful, and unfair place.

Let's be honest with ourselves; all this bill will do is take millions of taxpayer dollars that would otherwise fund public schools and distribute it to folks that don't need it.

As a former teacher at a private school and a parent of public school students, I’m concerned.

Thanks for listening,

Ryan Dodd
District 45, Fargo

Samantha K. Harrison

Regarding HB 1540

March 16th, 2025

Chair Beard and members of the Senate Education Committee,

My name is Samantha Harrison, a current resident of Mandan and former public school teacher. I am writing to you to urge a “Do Not Pass” recommendation and a “No” vote on HB 1540.

No matter what they are called, education savings accounts, scholarships, or tax credits—if they take money from public schools and funnel it to private institutions, they are vouchers, and I and other public educators current, former, and future vehemently oppose them.

The purpose of the public school system is to serve every child, regardless of income, ability, or background. Private and religious schools are not held to the same standards, and as a taxpayer in North Dakota, I oppose my tax dollars being used to support private education in any way. The State should be investing in the public school system, rather than be complicit in funnelling money away from it.

I urge a “Do Not Pass” recommendation from the committee and a “No” vote on the floor on HB 1540.

Sincerely,

Samantha K. Harrison
District 34

Americans for Prosperity North Dakota – IN SUPPORT HB 1540

Americans for Prosperity strongly supports educational choice.

We are in support of educational savings accounts; we urge you to support HB 1540.

Key Components of a Strong Education Savings Account (ESA) Bill for North Dakota.

These are the essential components and recommendations for crafting a robust Education Savings Account (ESA) bill in North Dakota. The goal is to provide all families with access to high-quality educational options and ensure equitable participation for all school-age children in the state. A strong ESA bill should prioritize accessibility, transformative funding, and flexibility for students, while maintaining an efficient implementation process.

Must-Have Components

1. **Universal Eligibility**
    - **Definition:** All school-age children in North Dakota should be eligible for an ESA. The bill should phase in universal eligibility over a short period to maximize impact and inclusivity for every family.
2. **Transformative Funding**
    - **Goal:** The ESA funding must be substantial enough to significantly enhance educational opportunities for families, particularly those from lower-income backgrounds. The funding should enable access to a wide range of non-public educational options (e.g., private schools, tutoring, online learning, educational therapies).
3. **Opt-In Participation**
    - **Principle:** The ESA program should be voluntary for families and non-intrusive to private educational providers. It should not automatically categorize any family as an ESA participant. Additionally, it should create a separate category for students receiving alternative instruction (home-schoolers) and ensure it does not interfere with existing alternative education laws.

4. **Low Barriers to Application**
    - **Access:** The program should have minimal bureaucratic hurdles, with no income qualifications required. Families should be able to easily access the program regardless of their financial status.
5. **Broad Educational Choice**
    - **Flexibility:** The ESA should provide a wide range of educational options for students. Rather than narrowly defining what is an acceptable expenditure (e.g., curriculum categories), the focus should be on creating robust and diverse educational opportunities, allowing families to tailor education to their child's needs.
6. **Ease of Implementation**
    - **User-Friendly:** If a third-party vendor is used for administering ESAs, the system must be easy for families to navigate, ensuring that there are no delays or barriers in accessing funds. Avoid reimbursement processes that create additional financial burdens on families and require excessive administrative staffing.

No-Go Provisions of a Strong Education Savings Account (ESA) Program for North Dakota

1. **Overly Harsh Accountability Measures**
    - **Issue:** Accountability measures that impose harsher penalties on ESA students than on public school students should be avoided. ESA students should not face additional punitive measures that are not equally applied to public school students.
2. **Excessive Curriculum Restrictions**
    - **Issue:** The ESA program should not limit eligible educational expenditures to “government-approved,” in-state, or secular curriculums. Families should have the freedom to choose educational materials and providers that best meet their child’s needs, without unnecessary government oversight on curriculum.

3. **Overcomplicated Bureaucratic Expenditure Approval**
    - **Issue:** The ESA system should avoid creating time-consuming and complicated bureaucratic processes for expenditure approval. Families should have access to funds instantly at the point of sale, without the need for reimbursement claims or excessive approval procedures that create delays.
4. **Tiering Eligibility Solely Based on Income**
    - **Issue:** Eligibility should not be tiered exclusively based on income levels. While certain groups may need targeted support, all school-age children should eventually have access to the ESA, regardless of family income.
5. **Standardized Testing Tied to Funding**
    - **Issue:** The ESA program should not tie future funding or eligibility to individual students' standardized test performance. Students and families should not be penalized with reduced funding based on test scores.

A well-crafted ESA bill for North Dakota should empower families with meaningful choices and substantial funding for educational opportunities. By adopting these key components, avoiding problematic provisions, and considering additional flexible options, North Dakota can create an ESA program that is inclusive, flexible, and transformative. This will ultimately ensure that all students have access to a high-quality education that meets their unique needs, while also promoting the state's educational and economic goals.

Contact:

Justin Forde

Americans for Prosperity North Dakota

jforde@afphq.org

701-527-4293

HB 1540

Please DO NOT PASS this bill and take away PUBLIC dollars to private schools, when ND is already facing cuts at the federal level. This will IMPACT our schools already serving children with disabilities, homelessness, and food insecurities.This bill WILL have grave consequences for ND families.

Most North Dakotans live in rural communities and do not have opportunities to attend private schools. This bill is mostly for the elite, OR families living in major cities. It isn't the Class B families, living is rural communities that have consolidated schools to keep the doors open. Some of these school districts have a 2000 sq mile radius. The people this bill benefit may live blocks from a private school. This will be a nail in the coffin to consolidated school districts that support children living in districts containing multiple communities.

I graduated from McVille Public School in 1985. My son, walked across the same stage that I did, except his school was Dakota Prairie School District #1 which consisted of Petersburg, Michigan, Mapes,Whitman, Niagra, Dahlen, Aneta, Kloten, McVille, Pekin, Tolna, and covering Nelson, Walsh, Grand Forks, Steele, Eddy Benson, and Ramsey Counties.

If you vote to give vouchers to private schools, many of these consolidated districts will be forced to re-consolidate. Children are already on buses for well over an hour in the morning and evening.

Please take the time to look for other options rather than taking money from public school districts where funding is already limited.

Senate Education Committee Members

I was born and raised in North Dakota, raised our family here and are now watching two of our grandchildren grow up in this area. I attended public school, our children all attended public schools and our grandchildren are currently attending public school in Minot. I am writing to ask you to oppose HB 1540, which would provide an educational savings account to students who are home-schooled or attend private schools.

The North Dakota constitution provides for free public education for all students. Those public schools have to admit **all** students regardless of race, religion, disability, etc. In contrast, private schools can, and do, decide which students they will accept and the schools with a religious affiliation will often reject students who do not meet their standards (LGBTQ students or students from a different religious background). In addition, they are not required to provide any assistance or adaptation for students with emotional needs or disabilities. Many people have said that this bill gives families more choice in their children's' education but only if their children would be accepted by the private schools. I would argue that this bill just takes money away from the public schools that are required to educate all students.

With the discussion that the Department of Education will likely close, I am wondering how that will impact funding for our public schools in North Dakota. This is especially important when it comes to meeting the needs of students with an IEP and with disabilities. As we are sitting at a very uncertain time with the federal funding, this bill would take more monies away from public schools that will need additional funds for special needs students in our state.

My other concern with this bill is that is provides unequal treatment to children who live in urban versus rural areas. There are very few, if any, private schools in the rural areas of our state, so those families living in those areas would not have an opportunity to send their children to a private school and be able to utilize these monies. In addition, many of our rural schools are struggling and depend on state dollars to provide their students with the education they deserve.

Please give HB 1540 a Do Not Pass recommendation from this committee.

Thank you,
Jane Hirst

Nick Amb
Walhalla, ND 58282

Testimony re: HB1540

Members of the committee:

My name is Nick Amb. I am an elementary school principal at North Border-Walhalla. While I will always advocate for my students, teachers, families-my views are my own.

I urge a resounding NO vote on HB 1540.

40 million a year in giveaways to private education?

Your constituents in rural ND would likely beg to differ. Do you know what the unmet needs are here in rural ND?

We are 107 miles away from Grand Forks. There are no reasonably close "private"
options for kids up here. This legislation takes these dollars that should be kept sustaining public schools.

I strongly oppose any sort of voucher, credit, or scheme to divert public money to private schools.

Also, most private schools are sectarian. NO public money shall be expended toward sectarian activities.

Instead of 40 million a year to give to the private schools (who face no accountability, and can reject any incoming student they see fit)—please consider the appropriation of funding for remote, rural schools.
We have very unique needs based on geography, and the state is obligated to provide our kids an education as well.

Our district is over 500 square miles. We have already consolidated to the extent possible.

A far better use for these resources would be to keep public dollars supporting public education.

I would be happy to answer any questions the committee may have.

Sincerely,
Nick Amb
Lifelong educator
Proud public school elementary principal

Dear Members of the House,

I want to begin this by thanking you for your consideration of HB1540, and I want to share with you the reasons that I encourage a Do Pass on any bill concerning school choice.

I am not from Minot, North Dakota, nor did I ever imagine myself here long term. I grew up in a suburb outside Minneapolis and chose to attend college in Bismarck. I fell in love with the culture of North Dakota – the people, the simplicity, the subtle beauty – but the quality that encouraged me to stay long term was the community of faith I found among Catholics in Bismarck. I knew I wanted to start my family in this state.

In college, I majored in English Education, and in an attempt to save some money, I decided to stay with a friend's family and do my student teaching at Bishop Ryan. I never intended to stay in Minot more than a few months, but it was the community at Bishop Ryan that embraced me and made me feel so comfortable. I ended up marrying my husband, a Minot native, and we've since had three kids. A four-month stint student teaching led to seven years, a home, and careers at Bishop Ryan Catholic School.

My husband and I both teach at Bishop Ryan because we love the school, the students, the families, and most importantly, the faith community. As teachers, relatively early in our careers, we don't make a lot of money, but we make that sacrifice because of our love for the school. This year, our first child is enrolled at Bishop Ryan. We feel so fortunate to be able to send him, but the reality is, we are only able to do so because of our jobs at the school. This strong desire that we have as parents would not be realized if we weren't teaching there. I know there are many families who are unable to make the decision to attend Catholic Schools for financial reasons, but who have a deep desire to. This bill would give those families a choice in the matter of their child's education, a choice that belongs to the parents.

This bill is not intended to line the pockets of the already wealthy. Being within the walls of the school, I know firsthand that many of our students do not come from wealth but instead come from hardworking families that make significant financial sacrifices. Please consider these families and families like mine when voting on this bill.

Thank you for your work on the education commitee!

Bailey Wald

HB 1540

To whom it may concern:

I am currently a teacher at Four Winds School in Fort Totten, ND. This is my 20 year teaching there. I am writing to ask you to OPPOSE HB 1550.

Our school is on the Spirit Lake Indian Reservation and provides essential services, education and opportunities for our students. Our children and families there are plagued by a multitude of challenges such as poverty, drug use, gang violence and child sexual exploitation and trafficking. Many of our students demonstrate resilience, academic gains and leadership when given support from teachers and staff – making it even more important to invest in our public schools.

These students are near and dear to my heart, and I do not want much-needed resources to be diverted to private schools – schools that they do not even have access to. There is no choice for our students who live in such a rural area.

The students in my district and ALL of North Dakota, deserve public education system that provides opportunity for every student. Please prioritize investments that improve our public schools rather than initiatives that divert crucial resources away from them.

Thank you for your time and attention to this important matter.

Sincerely,

Megan Estenson

Dr. Jill Olson
807 Kittson Avenue
Grafton, ND 58237
1jillolson@gmail.com
701.331.1835

March 16, 2025

The Honorable Karen Anderson
14334 70th St NE
Grafton, ND 58237

Subject: Opposition to House Bill 1540: Education Savings Account Program

Dear Karen Anderson,

I am writing to express my strong opposition to House Bill 1540, which proposes the establishment of an Education Savings Account (ESA) program in North Dakota. While I support efforts to enhance educational opportunities for all students, this bill raises significant concerns regarding its impact on public education funding, accountability, and equitable access.

By diverting public funds to private schools and other educational service providers, this bill undermines the financial stability of our public schools, which serve the vast majority of North Dakota's students, including those with the greatest needs. Public schools are accountable to taxpayers and must adhere to state standards, whereas private institutions would not be held to the same level of transparency and oversight.

Furthermore, the bill lacks sufficient protections to ensure that all students, including those with disabilities and from low-income families, have truly equal access to these funds and the services they provide. The potential for increased disparities in educational opportunities is a serious concern that will have a large negative impact in our local community.

I urge you to oppose HB 1540 and instead focus on strengthening our public school system to ensure that all students receive a high-quality education, regardless of their economic background or geographic location. I am proud of the public school educators in our community and would welcome the opportunity to have you visit and learn more about the great work happening in our school system. Thank you for your time and consideration.

Sincerely,

Dr. Jill Olson
Elementary Principal
Grafton Public School District

Members of the Senate Education Committee,

My name is Kayla Tatro, and I am a middle school teacher at Roosevelt Public School in Carson. I am writing in opposition of House Bill 1540, which seeks to establish Educational Savings Accounts (ESAs) for North Dakota students.

Public dollars should not fund private education. Private schools do not have to educate all students, as public schools do. Furthermore, private schools lack the oversight and accountability for their expenditures that is required of public schools. Public schools must be accountable for every taxpayer dollar spent. This bill lacks the accountability that is required of taxpayer dollars. How will the state ensure that the ESA funds are being used for allowable expenses?

Educational savings accounts or vouchers only benefit students living in or near our largest North Dakota cities. Carson is 60 miles from the nearest private school with some of my students living up to 90 miles away from the nearest private school. My students, like a majority of rural students across the state, will not benefit from these ESAs. ESAs will increase the educational disparity between our urban and rural students.

Additionally, I am concerned about the cost of this bill. HB 1540 will cost our state $40 million in 2026-2027 and another $80 million in 2027-2028. Similar programs in other states have led to substantial cost increases over time. Public schools are already struggling financially. $120 million would be much better spent over the next two school years in our public schools to support students across our state- regardless of their zip code, ability, or financial status.

In conclusion, House Bill 1540 threatens to weaken public education in North Dakota. We should be proud of the top-notch public education our state provides and continue to invest in our public schools accordingly. HB 1540 diverts critical resources from public schools and lacks the accountability that is required of taxpayer dollars. I implore you to consider the long-term impacts of this bill and to stand against it in support of our public education system. Thank you for your time and consideration.

Kayla Tatro

Chair Beard and members of the Senate Education Committee,

My name is Kala Christensen, and I teach English in 7th grade in Grand Forks. I am asking for a DO NOT PASS vote on HB 1540. Education savings accounts funded with public funds have no place in our state. Public funds should NOT go to private schools. Taxpayer money is for public entities.

As a child-free homeowner and North Dakota taxpayer, I understand the frustration some feel when their tax dollars go to agencies or organizations that they do not think are useful in their life. I do not have children in public school, using the public parks or skating arenas, or attending story time at our public library. However, I am not here lobbying for my tax dollars back for not using these public entities. Nor should we give parents who choose not to have their children participate in public school or other entities their money back. It is their choice to attend private school, just as it is my choice not to have children and, therefore, not use these public entities.

While some say that I don't have skin in this game as a child-free person, I understand the importance of my tax dollars funding public schools. The need for an educated society is crucial, and I want my tax dollars to go to the organizations that educate 90%+ of our children. I want my future leaders, doctors, accountants, etc., to be the best they can be. That happens with fully-funded, high-quality public education. Public education is the only place EVERY child can learn and grow to their highest potential.

Thank you for your consideration,
Kala Christensen

To whom it may concern,

I am writing in opposition of HB1540 which would provide $4000 to any student who attends private school, costing our state $40 million dollars next year alone.

No matter what these bills are called—education savings accounts, scholarship programs, or otherwise—if they divert public dollars to private schools, they are vouchers.

I have been a Spanish teacher at Century High School in Bismarck for the past 27 years. Diverting money from public schools to private schools would be devastating to our schools. One of my colleagues will not be getting an extended duty contract to split one of her classes which will be extremely large year. This is due to a lack of funding that public schools are already experiencing. Students will be negatively affected by being in this larger class and not having individual time with the teacher which becomes increasingly difficult in large classes.

Public funds should remain in public schools, where they serve all students, regardless of ability, background, or financial status. Vouchers take critical funding away from our public school system. Vouchers only benefit those in metro areas across our state as most rural communities do not have non-public schools. Public school systems are already struggling, we should be investing any additional available money into our public schools.

Please oppose this bill as it would be a horrible blow to our public schools. Thank you for your time.

Sincerely,

Andee Adams-Woodmansee

SENATE EDUCATION COMMITTEE

RE: Support for HB1540

Dear Chairman and Committee Members,

I am writing to express my strong **support** for **HB1540** as a parent of five children and taxpayer.

OUR EXPERIENCE with public and private schools:

We started our children in the public school system as a secondary choice. Financially we were in a position where we exceeded the income level to receive tuition assistance from the private schools, but the tuition would be a struggle to maintain our financial goals. In our experience, the teachers and staff at the public school were great and our children loved their friends.

In 2020, we moved our children over to private school as we did not want to do the “hybrid” option for COVID regulations. At the time, we had one child who struggled in the large classroom setting. Teacher after teacher told us, “he is a really good kid, he is just about 6 months behind everyone else.” We had special health & learning assessments done for him and extra staff working with him at the public school. When we moved to private school we were afraid we would miss the “extra” support. However, the lower class numbers and smaller setting was a big chance for him to thrive. He went from working hard to barely pass, to now getting almost all As and advancing on state testing.

Our second son was the opposite. He was always “ahead” of everyone else. He completed assignments rapidly and was rarely challenged. When we moved into the private school he had the opportunity to take faster tracks and do more challenging work to keep his learning at his speed.

Beyond the smaller class sizes and opportunity to work ahead, being able to merge COVID regulations happened to be a blessing to us with motivation to make the sacrifice and move to private education.

TAXPAYERs BENEFIT:

This is not just a benefit for the families who go to private education.The money saved with the passage of HB1540 will positively be impacting local businesses, schools, and organizations.

For example:

- We live in a community that is very family friendly. Year after year we have numerous kids coming to our door selling something or another. In the past, we have declined some of these sales requests as we had our own fundraising to do. If we had the extra savings on tuition costs, we would freely support these children in their sports, activities and ambitions.

- Savings on tuition would allow our family to have more consistent family memberships throughout the community - YMCA, Gateway to Science, Tennis Center, Dakota Zoo, etc. This would not only benefit our family with positive experiences, but these organizations as well.
- An Education Savings Account program would allow our family to give larger donations to the non-profits that we know are well deserving. This will further benefit the community beyond education.
- If HB1540 was passed, our family would be able to support more local businesses, stores, and restaurants.

We know that Public Schools are a great option. We also know many, like us 5 years ago, do not move their kids to where they want to go because of the financial burden. Please vote YES to HB1540 to create and enact a new chapter to title 15.1 of the North Dakota Century Code, relating to an education savings account program; to provide an appropriation; and to provide an effective date.

Sincerely,

BriAnna Wanner

Bismarck, ND

Testimony in Opposition to HB 1540
March 17, 2025

Chair and members of the committee, my name is Whitney Oxendahl, and I'm writing in opposition to House Bill 1540.

Public schools are the backbone of our communities, including mine. We love Horace Mann Roosevelt Elementary School where my two school-age children attend. I serve as a leader on the PTA to help connect families to our school.

Over half of the students receive assistance, so we qualify as a Title 1 school. We have more than a dozen languages spoken at our school. We also need new facilities. The district is exploring building a new school to combine our facilities to better secure our building entrances and increase the accessibility for students with disabilities.

With all this, our school staff is fantastic, dedicated, and helps our students thrive. We should do more to support them and focus our funding efforts on our public schools.

I urge you to give House Bill 1540 a Do Not Pass recommendation. Thank you for the opportunity to share my testimony.

I am a parent and a public school teacher. I am writing to urge you to please vote NO on HB1540. This bill threatens the integrity of our public education system. I am strongly against using public taxpayer dollars for private schools. Public funds should remain in public schools, where they serve all students, regardless of ability, background, or financial status. As a public school educator, I know that if a child moves into our district, we are required to accept them no matter the cost to our district. That same child could very easily be denied by a private school if they carry a "high price tag" for educating them. Private schools openly reject students for a variety of reasons, ranging from disability to socioeconomic status. In short, private schools are not held to the same transparency, accountability, or accessibility standards as our public schools.

Furthermore, only 32% of North Dakota counties have access to a private school. 93% of North Dakota students attend public schools. Rural North Dakotans will foot the bill to send kids in big cities like Grand Forks, Fargo, & Bismarck, to private schools.

Our public schools are the foundation of our communities, and instead of diverting resources away from them, we should be investing in smaller class sizes, support staff, mental health resources, and competitive wages for educators.

I strongly urge you to vote NO on this voucher bill and to stand with North Dakota's students, families, and educators in preserving a strong public education system.

Thank you for your time and consideration. I appreciate your service to our state and look forward to your support in keeping public dollars in public schools.

Kathy Houser

Members of the Senate Education Committee,

I am Brenda Seehafer, an elementary Title I reading and math teacher from Rolla, ND. I am asking you to oppose HB 1540. This bill provides $4,000 to any student who attends private school, costing our state $40 million next year alone.

Public dollars belong in public schools, which is the bottom line of my opposition to this bill. Public school systems are already struggling, so we should be investing any additional available money in our public schools. Private schools are just not held to the same transparency, accountability, or accessibility standards as our public schools; private schools don't have to take **all** students. Public funds should remain in public schools, where they serve all students, regardless of ability, background, or financial status. Vouchers take critical funding away from our public school system. Vouchers only benefit those in metro areas across our state as most rural communities do **not** have non-public schools. Why should rural North Dakotans foot the bill to send city kids to private schools, which is just what this bill does to rural North Dakotans.

I am asking you to oppose HB 1540. Don't use our public dollars on vouchers or educational savings accounts because that is not what North Dakota needs or wants.

Dear Members of the Senate Education Committee,

Thank you for taking the time to review my written testimony. I am writing to express my strong opposition to HB 1540. As a taxpayer, I want my taxes to support public schools. As a public school teacher with over 40 years of experience, I know how important every dollar is to public schools around our state.

I have listened to all of the testimony related to this bill, and I remain convinced that this bill will be detrimental to public school students in our state. We are privileged to teach every student in our district and meet each child's needs. This is not the case for private schools. You have heard arguments about the differences between public and private schools in terms of accountability, transparency, services that need to be provided to students, and more. These are all reasons to vote "NO" on this bill. Please also consider how this bill will hamper choices for students and their families.

It is essential to keep public funding in public schools. The majority of parents choose to enroll their students in public schools. It is not right to divert funds from these schools. In addition, there are reasons families choose to send their students from private or home schools to public schools. Public schools are always present to welcome every student into their buildings. We need to keep those schools strong and well-funded. I respect the decision of families to send their children to a private school. However, it is not the responsibility of taxpayers to fund any part of private tuition, which is why I urge you to say "no" to this bill.

Our public schools are the hub of large and small communities across North Dakota. They are a consistent, constant presence in our neighborhoods and towns, but they are not static. Our public schools are filled with thriving classrooms where teachers are continuously learning how to bring content alive to their students in meaningful and effective ways. I know how much I value my hometown school, Des Lacs-Burlington High School. I do not have children, but I know that the taxes I pay that go to public schools are the best investment I can make in the future. Please support our public schools so that we can continue to offer the choice of an excellent education to every single student in our state, regardless of their needs or location. We have so much to be proud of, and we have so much great work to do. Your support is valued, and your willingness to listen is greatly appreciated.

Sincerely,

Mary Eldredge Sandbo, Ed. D., NBCT
Biology Teacher, Des Lacs Burlington High School
2010 North Dakota State Teacher of the Year

As faculty at a public university, daughter and niece of public school teachers, mother of a son in public school, and proud product of public schools, I implore you to oppose HB 1540.

HB 1540 threatens the integrity of our public education system by using taxpayer dollars for private schools, which are not held to the same transparency, accountability, or accessibility standards as our public schools. There are so many students who aren't served by private schools--in particular students with special needs. School vouchers are not democratic; rather than providing “choice” for all students, they benefit those who are already sending their child(ren) to private school.

Let’s strengthen North Dakota’s public schools rather than using taxpayer dollars to support private schools.

Please vote no on HB 1540.

Thank you for your time and consideration.

Thyra E. Knapp
Grand Forks, North Dakota

The vast majority of parents in North Dakota don't have access to private schools. Sending public money to private schools is NOT OKAY. If people want public money for their child's education, they need to send them to public schools. This bill is going to hurt rural schools, which is most of what North Dakota has. Please vote for the good of the people...not for the benefit of your rich friends.

March 16, 2025

North Dakota Senate Education Committee
State Capitol
Bismarck, ND 58501

RE: Endorsement of HB 1540

Dear Senate Education Committee:

My name is Amanda Dukart. I live in the Mandan school district, and I am a parent who has chosen to enroll my children in Christ the King Catholic Montessori School.

I support House Bill 1540, but I am in support of all school choice bills that support parent autonomy and the right to provide an education for my child. I support House Bill 1540, which would establish state-funded educational savings accounts for K-12 students' educational needs, because three of our children currently attend a private school, so this would majorly affect our family directly.

The first reason we support this bill is because we would experience first-hand the benefits of our tax dollars toward education. The second reason is because we currently make many financial sacrifices so that our children can attend a private school. We find that the sacrifice is worth the benefits, but if the bill were passed, we would also be able to save more money to help pay for our children's higher education in later years. The third reason we support HB 1540 is because we are paying tax dollars toward education, but we also reserve the right to choose a private institution that provides a religious and Montessori education.

We have seen the benefits of this approach to education in the lives of our children, forming in them independence and a love of their faith. They love their school and the freedom it provides for them to choose how they learn. I also attended the same institution as a child, so the school feels like home to us. We are grateful for a school that teaches the same exact values as what we teach our children in our home, and we get a say and are very involved in that process.

Please vote in favor of HB 1540. There are numerous great families and schools that will benefit from assistance with private education, and a financial burden will be lifted in each of their households. Thank you for your service to the state of North Dakota and for your time on HB 1540.

Sincerely,

Amanda Dukart
511 13th St. NW
Mandan, ND 58554

Hello,

I am writing to urge you to pass HB 1540. This bill if put into law will be a blessing to all North Dakota families, not just those who attend private schools. As the parent of two children who do attend private school, I can tell you that this bill would have a more positive impact on our family than any legislation I can remember. Contrary to the claims of opponents of school choice, not all who attend private school are so called rich kids whose families have no trouble affording private tuition while paying property taxes for a public school they do not use. For many families who attend private schools, including my own, paying the monthly tuition is a burden. It is a burden we gladly bear, but one, nonetheless. This bill would provide an opportunity for our family to benefit from the taxes we already pay and help ease that burden substantially. In North Dakota families of all income levels and beliefs should be able to choose the education that they desire for their children whether it be public, private, or homeschooling. Please pass HB 1540 and make this a reality.

Thank you,

Brock Carlson

REENGROSSED HOUSE BILL NO. 1540

Chairperson and members of the committee,

Thank you for the opportunity to present my testimony today. I am here to express my opposition to the proposed bill concerning the establishment and funding of education savings accounts (ESAs) starting with the 2026-27 school year.

While the goal of offering families more educational choices is commendable, I have several significant concerns with this bill that I believe could have unintended negative consequences for our public education system and for the families it aims to serve.

1. Impact on Public School Funding:

One of the primary concerns with this bill is the potential erosion of funding for public schools. By diverting 50% of the statewide average per-student funding into education savings accounts, this bill could reduce the resources available for public schools that are already struggling to meet the needs of their students. Public schools serve all children, including those with special needs, students from low-income backgrounds, and those who face additional challenges. Public schools in North Dakota educate 93% of the state's student population. Diverting funds away from these institutions could lead to larger class sizes, fewer resources for students, and a decline in the quality of education for the majority of North Dakota's students who rely on public schools for their education.

2. Lack of Accountability and Oversight:

The bill allows parents to use ESA funds for qualified expenses, but there is little mention of rigorous oversight or accountability to ensure that these funds are being used effectively for educational purposes. Without strong accountability measures, there is a risk that ESA funds could be misused or spent on non-educational expenses, undermining the original intent of the program. Additionally, the lack of oversight could lead to a lack of transparency, which could erode public trust in how educational funds are allocated and spent.

3. Disproportionate Benefit to Wealthier Families:

Education savings accounts are often portrayed as a tool for giving all families more choice in their children's education. However, in practice, ESAs tend to benefit wealthier families who can afford to supplement the ESA funds with their own resources for private school tuition, tutors, or other educational services. Families who are already struggling financially may not have the means to take full advantage of the program, and as a result, the bill could exacerbate existing educational inequities in our state. Public schools are a common good, and we should focus on strengthening and equitably funding them so that all students, regardless of their family's financial status, have access to high-quality education.

4. Potential Harm to Students with Disabilities:

Another concern is the bill's provision that requires parents to acknowledge that enrolling their child with a disability in the ESA program constitutes a parental placement under the Individuals with Disabilities Education Act (IDEA). This could limit students with disabilities' access to necessary services that are provided in the public school system. Many public schools are equipped to offer

specialized services for students with disabilities, and by moving these students to private options or homeschooling, there is a risk that they will not receive the comprehensive services they require. This provision could unintentionally harm students with disabilities by limiting their access to necessary support systems.

5. No Guarantee of Better Educational Outcomes:

Finally, there is no compelling evidence to suggest that ESAs lead to better educational outcomes for students. While proponents of the bill may argue that giving parents more control over their child's education will improve outcomes, studies on similar programs in other states have shown mixed results. The idea that simply redirecting funds to private or homeschooling options will result in better outcomes is not substantiated by data. In fact, it may lead to more fragmentation in our education system, making it harder to ensure that every child, regardless of background, receives a high-quality education.

Conclusion:

While the intent behind this bill may be to offer families more educational options, the potential consequences outlined above suggest that this program could inadvertently harm public education in North Dakota, widen the achievement gap, and create unintended challenges for students with disabilities. Instead of diverting public funds into education savings accounts, we should focus on strengthening our public schools, ensuring they are adequately funded and equipped to meet the needs of all students, especially since 93% of North Dakota's students attend public schools.

For these reasons, I urge the committee to reconsider this bill and explore alternative ways to improve education in North Dakota without undermining the vital role of public schools.

Thank you for your time and consideration.

Shelby Hildenbrand

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Grand Forks, ND 58201

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HB 1540

To: ND Senate Education Committee

My own children send their children to private school because the family can afford to do so. They can also afford to take their children out for dinner or to access Door Dash. It would not a hardship if private school tuition increased.

Meanwhile I taught public school often taking extra snacks/meals to school for my students who often came to school hungry and some needed supplemental weekend meals. I have provided holiday meals for some student families who cannot afford a full Thanksgiving dinner.

And now you are weighing a $4,000 voucher for private school students while questioning free meals for public school students?

Where is the logic? I recommend NOT moving HB 1540 forward but doing so with free public school meals.

Thank you
Barb Solberg
Minot

WRITTEN TESTIMONY IN OPPOSITION TO HB 1540

Senate Education Committee
Date of Hearing: March 17, 2025 2:30 p.m.
Debra L. Hoffarth, 1320 11th Street SW, Minot, ND 58701

This written testimony is presented in opposition to HB 1540, which would provide public funding for private school education through education savings accounts. All North Dakota students have the right to a free and appropriate education. The public school system is available to all students who live in the state. This right is available regardless of religion, race, disability, socioeconomic status, or zip code.

Private schools are not accessible to all students and are able to determine who does and does not attend. Private schools often do not provide services to students on IEPs or 504 plans and fail to make accommodations to ensure that any student can attend. If private schools received public funds, they should be required to have the same oversight and follow all of the same rules, laws, and regulations that the public schools do.

Families who send their children to private school have the means to do so and the North Dakota taxpayer should not be burdened with private school expenses. This bill shifts public funds to favor the rich over the poor.

This bill would take funding from rural areas and reallocate them to the more urban areas of North Dakota. This drains the resources of rural communities. Schools are the heart beat of every small community and a loss of school puts rural community at risk to losing residents, business, and families. Rural North Dakotans already suffer from grocery deserts, let's not create education deserts as well.

We should also be aware of the loss of funding from the Department of Education. If funding to the State or local school districts are ended, the public schools will need additional funding from the State. Any loss of funding from the federal government will have a significant impact on public schools that will need to be replaced by the State of the local school districts.

This bill weakens the public education system. Please invest money in public schools to ensure small class sizes, proper staffing at all levels, technology, and competitive wages for teachers.

Please oppose HB1540.

Debra L Hoffarth

Senate Education Committee
HB 1540 - Testimony in Opposition
March 16, 2025

Members of the Committee,

I am writing in opposition to HB 1540. As a public educator, I cannot imagine a worse way to support public schools than by allowing publicly-funded benefits for private schools. Public schools struggle more and more every day to afford proper staffing, materials, and space. Diverting public funds away from the students who need them the most is a direct disservice to them, their families, and public school staff.

With all the hardships families are experiencing, the budget cuts schools are facing, and now the threat of diverting tax money away from public schools, we do not need this bill. We need more measures to ensure ALL North Dakota students receive what they need.

There are far more pressing issues affecting the residents of North Dakota. I urge you to vote NO on HB 1540.

Thank you,
Shannon Krueger
District 3
Minot, ND

Testimony- School Choice Bills- 2025
North Dakota Legislature, 69th Legislative Session

Honorable Chair and Members of the Committee,

I strongly oppose SB2400 and HB1540 due to serious constitutional, financial, and accountability concerns. These bills divert public funds to private schools without oversight, weakening public education and exacerbating existing inequities. Below, I share my personal experience, key concerns, and recommendations for a more effective and equitable approach to education policy.

Issue One: Public Funding and Constitutional Concerns

Advocates for these bills argue that our state constitution is out of compliance with law. Proponents quote several supreme court rulings as the reason why this is true. If we dive deeper into these arguments, we can see things more clearly.

North Dakota's Constitution clearly prohibits using public funds for sectarian schools:

"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."
(Article VIII, Section 5)

Despite this, SB2400 and similar bills propose diverting taxpayer dollars through education savings accounts (ESAs) to private religious schools. The proposed **$50 million *ESA allocation to the department of instruction budget*** challenges the intent of this constitutional measure.

When funds show that they are being allocated to a **pot of money** that directly fund **public schools**, would this align to the ND constitution? *School choice legal advocates* caution policy makes on implementing an ESA program in North Dakota without explicit constitutional amendments would invite **legal challenges** and create unnecessary **fiscal risk**.

The U.S. Supreme Court's *Carson v. Makin* ruling, authored by Chief Justice John Roberts in 2022, further complicates this issue. In his majority opinion, Roberts stated that when a state decides to create a program that is used as a vehicle, in this case an ESA, to provide public funds to private schools, it cannot exclude certain religious schools from participation.

A key question for North Dakota taxpayers and lawmakers is whether they are comfortable with public funds being directed toward **private schools of any religious belief system**, including Hindu, Islam, Fundamental Christianity, Buddhism, or Wicca, should they decide to participate in the ESA program. This scenario has already played out in New York, Arizona, and Florida, where ESA programs had to allow funding for schools aligned with a variety of religious ideologies, leading to unintended consequences and legal disputes.

Issue Two: Fiscal Mismanagement in ESA Programs

ESA programs in other states have led to **financial mismanagement and fraud**:

- **Arizona:** ESA funds were spent on amusement parks, luxury vacations, and personal expenses.
- **Florida:** Parents misused funds for non-educational expenses like religious conferences.
- **Louisiana:** Audits exposed ESA dollars being spent on unauthorized personal purchases.

To prevent misuse, ESA programs must include **strict reporting, third-party audits, fraud penalties, and annual public expenditure reports and presentations**.

Another **major flaw** is these bills also fail to prevent **"scholarship stacking,"** allowing some families to receive excessive financial benefits while others remain underserved.

Issue Three: True Costs of ESAs – Estimated Fiscal Impact

The fiscal impact of SB2400 appears significantly underestimated. Using *DPI's reports* and the *US Census* data, it appears that the **two-year cost** is more in the **$117 million** range, including **$42.6 million in lost public school funding**. If allocated to public schools, what would $117 million provide?

- **1,410 teachers** to reduce class sizes.
- **3 new elementary schools** to address overcrowding.
- **234,000 updated textbooks** for quality education.
- **936 school buses** for safer transportation.
- **Increased special education funding** ($11,153 per student) to drastically better serve some of the most vulnerable population.

SB2400 disproportionately benefits higher-income families, allowing a family of three earning up to **$133,250 (500% of the federal poverty level)** to receive ESA funds—favoring private school families over expanding access for low-income students.

Another mechanism to **ensure fiscal responsibility** is to have program funding caps. Just as what is being discussed for property tax reform, caps will allow a managed growth of the program and ensure that funding does not go over appropriations.

Other suggestions would be to pro rate student scholarships. This allows for a more transparent, predictable, and fair process. It will also guarantee that the state will be able to stay within program allocations. There should still be a priory on students whose family income levels meet the federal free and reduced lunch limits, giving those with greatest the need, the best opportunity for educational choice, without cost being a barrier.

Issue Four: Negative Impact on Rural Communities

ESA programs harm rural communities, where private schools and specialized providers **do not exist**. Public schools are the **only option**, meaning ESAs will drain essential funds. This could lead to:

- **School closures and longer bus routes** for students.
- **Elimination of extracurricular activities**.
- **Fewer special education services** in already underserved areas.

Public schools are more than education providers in rural areas—they are **community hubs**, workforce training centers, and youth development spaces. Redirecting funding away from them will widen rural-urban education gaps.

Issue Five: Public Schools Face Persistent Funding Shortfalls

Federal laws such as the Individuals with Disabilities Education Act (IDEA) and Section 504 of the Rehabilitation Act of 1973 require public schools to provide equitable education to students with disabilities through very strict policy, but only **14-16% of costs are covered**, forcing districts to shift funds meant to be equal for all students to a more unequitable funding model.

Public School districts absorb the high cost of underfunded federal mandates by subsidizing the revenue for students without additional needs, allows for these funds to be redistributed to cover the higher cost of students who require additional services.

Case Study: Dickinson Public Schools

In 2023-24, Dickinson Public Schools' **total special education costs** were just shy of **$11 million**. After receiving federal and state allocations, DPS still faced a **$6 million special education funding gap**.

When funding gaps like this exist, they force districts to make **difficult budget decisions** such as:

- **Increase class sizes** due to fewer teachers.
- **Cut transportation and after-school programs** both are critical to student success
- **Hold off on building maintenance projects** creating much higher costs in repairs
- **Raise local property taxes** to offset funding losses.

ESA programs would **further reduce funding**, putting schools at risk of noncompliance with **IDEA and Section 504** mandates, leading to potential legal consequences.

Issue Six: Lack of Investments in Education

North Dakota has **168 school districts**, yet **90 are underfunded** based on state aid formulas. Instead of diverting funds to private institutions, the legislature should consider:

1. **Increase funding for special education and low-income students** Increasing school funding weighting factor for these targeted groups would create a more equitable education system for all students.
2. **Invest in public school innovation**, Expanding STEM programs, career training, and early childhood education to improve student outcomes.
3. **Expand rural education access**, including transportation and alternative learning opportunities.
4. **Offer targeted tax relief,** Offering property and income tax relief will allow more household funds for families to use on many things, including educational choice if they so choose.

Issue Seven: Public Schools Are Not Failing

Claims that North Dakota's public schools are failing are **not supported by data**. The state's students outperform national averages in standardized testing.

Key achievements:

- **Ranked #2 nationwide in mathematics** and above the national average in three out of four NAEP categories.
- **First state education agency to earn national accreditation**.
- **Frank Newman Award for Innovation**, recognizing graduation pathways.

Additionally, legislation such as **HB 1478 and HB 1388** have expanded student opportunities through **internships, career training, and digital learning**. These initiatives directly prepare students for post-secondary success. These celebrations make school choice proposals based on alleged public-school failures extremely misleading.

Findings of Florida's ESA Program:

In contrast to the celebrations above, it appears that ESA programs have not seen as much academic success as our North Dakota public schools have. According to the ***2023 Florida Family Empowerment Scholarship (FES) Program Report***, students who used FES vouchers to leave public schools, later returned significantly academically struggling and were unprepared for grade-level expectations compared to their peers. The report found that these returning students were behind in key subjects, particularly math and reading, due to inconsistencies in private school curricula and lower academic standards.

Meanwhile, students who remained in private schools under the FES program also faced challenges, with evidence showing that a large percentage failed to meet proficiency benchmarks. These findings highlight the risks of diverting public funds to private institutions that lack oversight, curriculum accountability, and most importantly, comprehensive student support systems.

Issue Eight: Public vs. Private Schools – A Personal Perspective

In 2020, my husband and I enrolled our first grader in a private school that was outside of the catholic school options, as we are not Catholic. We were drawn to its small class sizes and values we felt it would provide the best support and structure. We invested heavily in his education, purchasing learning aides and hiring an occupational therapist as recommended by the school. By third grade his new teacher was frequently reprimanding him in front of his peers and demanding he apologize to them for distracting them by asking too many questions. Soon after he was isolated for most of the school day to learn alone in a conference room with a stack of workbooks. Once we learned about this, by mutual agreement it was decided this education environment was not successful for him. On his last day there, he was told he could return when he could be "good." For a month or so after he transitioned to the public school, he would ask repeatedly if he was "good enough" to go back.

He was made to believe he was bad, noisy, disrespectful, and a distraction. Unbeknownst to us, his struggles were due to an undiagnosed disability—one that, with proper **support and collaboration**, could have been managed effectively. No child should ever feel unworthy of an education simply because they learn differently, especially in an education environment their parents chose.

Public school was a turning point. Instead of being seen as a problem, he was recognized as a student with potential, and best of all they saw him for what he **truly is, a "good" kid**. From day one they held his hand through a supported learning plan, where we finally felt in control as parents and understood more about our son than we ever did before.

I hope that this tells the story of the educators, specialist, and administrators in our public-schools that work diligently each day to assist kids like mine, by encouraging them, lifting them up, and holding them accountable for strong academic success. **It's astonishing how they move the needle despite teaching a classroom of twenty-eight students.** They show up with a smile each day more eager to help each child without ever thinking twice about helping due to a student's abilities, demographics, income level, behavior issues, religious beliefs, living situation, or anything else that would put a child in a box, all while being underpaid and underappreciated.

Conclusion

SB2400 and HB1540, as written, pose a direct threat to North Dakota's public education system. By diverting funds to private schools with little accountability, they disproportionately benefit higher-income families while leaving underserved students behind.

Public schools serve all students, including those with disabilities, language barriers, and financial hardships. Instead of weakening the public system, the legislature should focus on strengthening educational opportunities within it—ensuring equitable access, improving student outcomes, and maintaining fiscal responsibility.

If meaningful amendments such are not made to address these concerns, I strongly urge all legislators to vote **NO** on these bills.

Thank you for your time and consideration.

Stephanie Hunter

References:

- ***North Dakota 2025 HB1013 (NDDPI Proposed Budget)***
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- ***Supreme Court Case 20-1088 Carson .v Makin***
  https://www.supremecourt.gov/opinions/21pdf/20-1088_dbfi.pdf
- ***School Choice legal Advocates- Institute for Justice: Designing Educational Choice Programs in North Dakota***
  http://ij.org/wp-content/uploads/2015/03/50stateSCreport.pdf
- ***12NEWS Arizona Investigation on ESA Misuse***
  https://www.12news.com/article/news/education/arizona-attorney-general-give-update-empowerment-scholarship-account-program-investigation/75-3f3af38a-d011-473f-a114-2a4736dcde93
- ***North Dakota DPI Press Releases on Academic Achievements***
  https://www.nd.gov/dpi/news
- ***2023 Florida Family Empowerment Scholarship (FES) Program Report***
  https://www.fldoe.org/file/5606/FES-Report2023.pdf
- ***United States Census Bureau***
  https://data.census.gov/all?q=North+Dakoa

March 16, 2025

Chairman Beard and members of the Education Committee:

I am writing on behalf of myself as an individual citizen of North Dakota and as a parent and am asking that you oppose HB1540.

As a former teacher and as someone with dozens of family members and friends who are teachers in North Dakota I urge you to put your efforts toward supporting them rather than supporting bills such as 1540 which send a message to our ND teachers that they are not good enough. This costly bill would take my money as a citizen and sends it to private institutions that I do not support.

Our state is full of spectacular educators who need more money and time and continuing education, please don't take money from them. Our children need these people in their lives, but how many more challenges can these educators take before leaving the field or the state? Please vote Do Not Pass on 1540.

Respectfully submitted,

Janet Anderson

Burlington, ND

My name is Dragana Olson. I live in Hoople, I have two young children in school and for the next 12 years I will have children in school. I am strongly against my money going to private schools. There is no private school anywhere close to me and even if there was I would not enroll my children. The Hoople-Edinburgh school that we attend is one of the most close knit child oriented schools I have ever encountered. Please continue funding the small town, family oriented, local public schools to continue and not close in the future like our neighbor schools in St. Thomas and Edmore.

Dear House Committee,

My name is Amy Lee, and I am writing in support of HB 1540. I am a mom to three children that attend Bishop Ryan Catholic School, with a fourth that will begin next year in preschool. I also am a middle school teacher at the school my kids attend. With my roles, I see firsthand what a parochial school provides for my children and my students. The job of any educational institution is to prepare its students for the outside world upon graduation. Bishop Ryan surely does this academically, but it provides so much more. With a faith-based education, the school also guides morally its students to lead virtuous lives. The virtues instilled in my children and students will take them farther than any A or B they receive in a class, or any honor they receive at graduation. Hopefully they will become productive, upstanding, righteous people in their families, workplace, and community. I love when my 3rd grader visited a nursing home monthly to give its residents companionship. I love when I see my students working with individuals that have mental disabilities providing them guidance and support or performing service projects around the city of Minot. I love when I get to teach my students the virtues that will give them the character they need to succeed in life. This bill would help our financial situation to ensure my children continue to receive the faith-based education that I want them to receive. It would also help more families experience the joy and pride of attending a parochial school, and the amazing opportunities their children can receive by having another option if they choose. Please consider voting yes to HB 1540.

Chair and Committee members:

I am wholeheartedly **opposed** to our tax dollars supporting school vouchers and savings accounts for private schools. Our tax dollars should support **public schools that serve ALL students**, no matter their ability, background, or financial status.

Thank you.

Kay Schwarzwalter

Testimony in Opposition to HB 1540
Senate Education Committee March 16, 2025

My name is Randi Monley. I live in Minot, ND, and both of my children attend Minot Public Schools. I am urging you to give HB 1540 a Do Not Pass recommendation.

Public schools are already underfunded. Teachers are underpaid. Classroom sizes are too large. The idea of putting money toward private schools that have tuitions that only some people can afford is ridiculous. Public schools are for all children.

My one child is on the autism spectrum. My other child suffers from ADHD. Autism and ADHD are a huge financial burden that no parent signs up for, yet here I am. The public school system in Minot has been phenomenal helping my children to be able to reach their full potential. Children being able to function in school is dependent on these dollars going to public schools. I can't afford tuition for a private school plus all of the doctor bills, and I have a Bachelor degree.

I do not understand why people would want children to fail in public school by decreasing funding, which is already not enough to start with.

I urge you to give a Do Not Pass recommendation to House Bill 1540.

Randi Monley
Minot, ND

I am writing in opposition of HB 1540.

I am a prek teacher in the Grand Forks area. I help prepare numerous children for school. I have been teaching in this field and in this community for 10 years. In that time the vast majority of families sent their children to our public schools. As our public schools serve most of the children in our community they deserve to go to schools that are properly funded so that they can get a good education and be best prepared for the world. Parents who make the choice to go to private school then accept the financial responsibility that comes with that choice.

As a teacher I don't want to see my students start off behind because of a choice to pass this bill. As a tax payer I want my "public" taxes to go to "public" schools. Private businesses, including schools, have opted out of public tax money. The same way parents who opted to chose private school chose to opt out of schools that are funded by public taxes.

This bill is nothing more than a financial break for families who have the privilege to chose their child's school. All families in North Dakota deserve well funded schools. Children with low income families and special needs will suffer the most if this bill passes. As adults in our state we have a responsibility to aid our children, all of our children, in any way that we can.

Thank you.

Tasha Bonn

Grand Forks

I urge you to vote **NO** on HB 1540. Our public education system is the foundation of our communities, ensuring that every child—regardless of background or financial status—has access to a quality education. With 93% of North Dakota students, and 95% of students with needs in our excellent public systems, we should not allow funds, of any sort, to be tailored to private schools and or students.

Sending taxpayer dollars to private institutions weakens this foundation by pulling much-needed resources away from public schools, where majority of your constituents are educated. This bill threatens to deepen inequities, leaving rural and underfunded schools with fewer resources while subsidizing private institutions that are not held to the same accountability standards.

Public funds should remain in public schools, where they serve all students, not just a select few. Our focus should be on strengthening public education—improving teacher salaries, expanding resources, and supporting student success—rather than funneling public money into private institutions that operate without the same level of transparency and oversight. For our students, our communities, and the future of public education, I respectfully ask you to stand with public schools and your constituents and vote NO on HB 1540.

Sincerely,

Casey Mills

2024 County Teacher of the Year (Bottineau)

2024 MDU's STEM Educator of the Year

Dear Chairman Heinert, Chairman Beard and Members of the Education Committee,

As a dedicated educator with over two decades of experience in the classroom, I am writing in opposition to HB1540 that would divert public funds to private and religious schools. While I support families having educational choices, I believe that public tax dollars should remain within the public school system, where they serve all students equitably and transparently.

Voucher programs present several serious concerns. As you know, public schools are already underfunded, and vouchers only make the problem worse by redirecting taxpayer dollars away from the students who need them most. When funding is siphoned from public schools, it leads to larger class sizes, fewer resources, and the elimination of crucial programs that benefit all children, especially those in rural and high-need communities. How equitable would it be for the students that live far away from a private school?

Vouchers often do not cover the full cost of private school tuition, meaning they primarily benefit families who can already afford private education. This leaves behind many low-income students who rely on strong public schools to receive a quality education. I once heard vouchers called “welfare for the wealthy” and I couldn't agree more. Instead of funding private schools, we should focus on improving and strengthening public schools for **all** students, no matter what their tax bracket is.

Lastly, public schools are required by law to provide services and accommodations to students with disabilities under the Individuals with Disabilities Education Act (IDEA). Private schools, however, can deny admission to students with special needs or fail to provide necessary services, leaving some of our most vulnerable students without adequate support. I have MANY students every year that I know would not be accepted into a private school and/or would be asked to leave after a very short duration. Public schools don’t have that luxury of hand selecting their students even though we are often not equipped with the resources needed to help them either. As a former special education teacher, I can tell you that the burn out rate is already extremely high in this particular position (our district currently has almost 20 paraprofessional openings that are not filled and those classrooms are working everyday short staffed). Can you imagine what it would be like if there were even less resources?

Every day, I see firsthand the impact of these policy decisions on our children’s futures. If we truly value education, we must invest in our public schools rather than weaken them. I urge you to do what's right for public education by voting **NO** on HB1540.

I appreciate your time and consideration on this important issue. I look forward to your response and hope to see your commitment to strengthening public education.

Sincerely,

Kristi Reinke; 2021 North Dakota Teacher of the Year

Dear Senate Education Committee,

My name is Bethany Gehrtz, a resident of Devils Lake. I am a third grade teacher at Prairie View Elementary, but this is my personal testimony and I want to be very clear that I am not speaking on Devils Lake Public School's behalf.

I am going to strongly urge you to vote NO on HB 1540. Allocating money into an Education Savings Account for private school and home school students is not the right use for taxpayer dollars. Public money should not be used for private purposes.

As a parent, I absolutely believe that parents should have the right to choose what education system works best for their children and their family. If my husband and I make the choice to send our daughters to the local private school, we fully expect that we are on the hook for the entire bill because a free and appropriate education is provided through the taxes we, and the rest of the state, pay.

As a teacher, I see how underfunded the public school systems are. The proposed increase to the K-12 funding is significantly behind where it should be. The school system, like any institution, has challenges and things that could be better. There's a saying, "show me where you spend your money and I will show you your priorities." You have the opportunity to invest in families and students in this state to make it a place where people want to stay. Show the people of North Dakota that your priorities are in giving every single child a place where they can succeed and make the appropriate investment.

I have sat and listened in on committees and the comment has been made that voucher programs will not pull money from public education. I'll give you two scenarios that it absolutely pulls from public education.

1. If a parent pulls their child out of public school, the per pupil payment doesn't end up in the school system. That's not a huge deal when you have one or two, but with enough of them, you have enough money being pulled for a teacher's salary. Or a new curriculum. Or a lot of supplies for kids who don't show up with any. It also pulls any money that could be used to cover unpaid lunch bills at the end of the year since that account cannot be left negative.

   People who support vouchers have long pointed out that private school families have a right to send their kids to public school at the taxpayer's expense but they don't. Providing them with a smaller amount of taxpayer money is a net cost savings for the public because less money is being spent on private education than public education. This logic is similar to arguing that the public should help pay for driver's gas because if they didn't drive, they may use public transportation instead, which would be a cost to taxpayers. That's not how this works. Right now zero public dollars are being spent on private students. Why would you add to that? Parents made that decision knowing the financial implications.

2. I have heard that the money for this program will come from the general fund. IF it is possible to pull money to cover private school vouchers, how can't that same amount of money be spent investing more into public education. That same money could have been used to fund the lunch

bills. You also need to be prepared that if the Department of Education is closed and the $190 million dollars that comes from the federal government is no longer available, there needs to be money on standby to take care of the needs of our students. Just because the money is gone, doesn't mean the needs are gone. Our kids can't wait 2 more years for funding and our districts certainly can't afford to pick up the tab to continue services.

I want to leave you with one last thing to think about. The private school voucher scam is often referred to as "school choice," but it's not "school choice," it is "**the school's choice**." You already know that by their very nature, private schools are selective of their clientele. They have no mandate to accept everyone and I have seen first hand kids with behavioral and severe learning needs being kicked out. Again, I am going to urge you to vote NO on HB 1540.

Thank you for your time and attention to this matter. Make the right choice for ALL of our kids and families.

Bethany Gehrtz,
Devils Lake, ND

HB1540– ESA Bill

Mandan Public Schools – Mike Bitz, Superintendent

Good morning, Chairman Beard and members of the Senate Education Committee. For the record, my name is Mike Bitz. I am fortunate to serve as the superintendent for Mandan Public Schools. Thank you for all you do to support education in ND. I am here today to ask you to oppose HB1540. I will be brief.

Private schools getting public dollars is not new. I have been a school administrator since 1991, and private schools have been receiving federal dollars for their school lunch program and they also receive federal title dollars. **No one has an issue with this because private schools abide by the same rules as public schools.** The federal government is often accused of being wasteful, but they do require accountability for public dollars. ND should so the same.

HB1540 appropriates $72,000,000 to private schools without private schools having to account for a nickel of how the appropriation is spent. As a Conservative and a ND taxpayer, I will tell you that this is not only bad government, it is wrong. ND has great private schools, with good people working in them, but giving anyone $72,000,000 without any accountability is a bad idea. If you approve this bill, please put guardrails in place to ensure full accountability for these dollars. The taxpayers of ND deserve this.

Finally, I find it confusing that the legislature is also considering a parent's rights bill, that in its current form will not apply to private schools, even if they take public dollars. If a private school accepts public dollars, shouldn't we expect them to open their board meetings and welcome parents to attend, and have the ability to address the school board? Should parents really need to forfeit their rights as parents if the private school chooses to admit their child? Accepting public dollars means accepting public accountability! The fiscal note on this bill means these are public dollars

Thank you for the opportunity to speak to you today. I urge you to vote NO on HB1540. At a minimum if you are going to approve this bill, amend it and give taxpayers the fiscal accountability they deserve. I would be happy to stand for any questions.

OAK GROVE LUTHERAN SCHOOL

North Campus: 124 North Terrace | Fargo, ND 58102 | 701.373.7100
South Campus: 2720 32nd Ave S. | Fargo, ND 58103 | 701.893.3073

HB 1540 testimony — IN SUPPORT
Senate Education Committee
Bob Otterson, President, Oak Grove Lutheran School

Chairman Beard and Senators:

Thank you for the opportunity to provide written testify in support of House Bill 1540, a measure to create education savings accounts that benefit North Dakota students and families.

I ask you to consider pragmatism in your deliberations: Oak Grove and partner nonpublic schools provide options for students and families.

I am a teachers' kid, and I have invested my career in education, including 24 years in public higher education. Some of you may remember a movement 20-plus years ago, the Roundtable on Higher Education. It was built on the premise that North Dakota needed to retain its young citizens; the education sector was charged with preparing today's students to fill tomorrow's workforce needs, to address economic opportunities and threats, to provide care and well-being for children and an aging population, and to grow into leadership positions.

Today, we talk about school choice, and I still think about that charge around helping the young people of today find their places tomorrow. Oak Grove and our partner schools expand options for families, and we expand the pathways toward student success. All educators know that some students manage large environments; others flourish in smaller groups. Some students prefer many co-curricular options and extracurricular activities. Some students, in competitive classes, may focus on one or two activities. Meanwhile, students in smaller schools grow from sharing their talents across several pursuits. The state's private schools provide the right fits for some students and their families. That spectrum of options provides more breadth and depth for today's learners … and more promise for retaining North Dakota's people resources. House Bill 1540 facilities learners finding the best environment for them.

Oak Grove and our partner nonpublic schools attract families. This state's economic strengths include agriculture, natural resources, financial services, engineering and medicine. As you know, that economic vitality requires the recruitment of people to fill key positions in certain industry sectors. Some of those recruited professionals and their families look for private schools because their children know private schools in other markets. House Bill 1540 could augment recruitment of families for North Dakota.

Opponents of school choice proposals may tell you that a new biennial appropriation only serves families in the state's population centers. And that's one reason why the bill is important. Nonpublic schools provide a local alternative to public schools with graduating classes of 300 or more students. And our schools provide those smaller-enrollment options with financial prudence.

Patrick Wolf, Ph.D., an education policy researcher at the University of Arkansas, has found that education savings accounts have multiple positive effects on students' academic performances in states where similar programs have been implemented, including academic performance, higher high school graduation rates, and higher college completion rates. Further, Wolf has noted that school choice programs have a positive correlation to public school performance, based on his research. I encourage you to read his opinion piece published in February in *The Forum of Fargo-Moorhead* (https://www.inforum.com/opinion/letters/letter-school-choice-would-benefit-north-dakota).

To close, I reiterate that my colleagues emphasize the position of private schools as part of North Dakota's educational ecosystem, not as competitors with public schools. We appreciate your interest in recognizing that position and parents' voices in the educational process. We share with public schools the awesome adventure of preparing tomorrow's citizens for service and leadership.

I ask for your support of House Bill 1540.

Sincerely,



Bob Otterson
President

To Whom It May Concern:

As a North Dakota voter, I am asking you to VOTE NO on HB 1540 and any other future proposals to remove tax dollars from public education and channel those dollars to private education. Our educated populace is what sets the United States apart from many other countries. Brilliant artists, writers, engineers, business people, architects, engineers, and technology specialists come from the ranks of middle and lower class families, and a robust public school system.

I have no issue with parents paying to place their children in private schools, but that is a separate matter from fulfilling their taxpayer responsibilities to all children in their community. I am childless but have paid into my local school district for over 30 years with zero complaints because I am a responsible, civic-minded individual and I understand that America's greatest resource is our children. All of our children. Not just the children of wealthy or elitist families that want to return to the days of segregated education – and demand do it with public tax money, while bright, creative children of families with less money make do with less.

And what makes this even more disappointing is that many of the people greediest for public tax dollars to pay their children's private school tuition are people who themselves benefited from public education when they were young.

Hello,

My name is Mike Zwingel and along with my wife Casandra, I write you today in support for HB 1540 and SB 2400 and for the state of North Dakota to follow the lead of several other states with school choice programs. We have five children, and all will attend Little Flower Catholic School in Rugby. We are fortunate to live in a rural community that has a private school and could not be happier with the quality of education that they receive. We would appreciate that our tax dollars could be used for our children's education. The state funding should follow the student, not the school.

Here in Rugby, we eventually will have to send our kids to the public school once they progress past Elementary, so we have a great chance to build a solid base to their education while they have the chance to start at a place with "Christ"-centered values.

Please consider that the stereotypes built around private schools and pulling funding away from public education might not be accurate. Families like ours could use any assistance to stay at a place that we love.

To whom it may concern:

The use of taxes to subsidize private schools is a gross and disrespectful use of taxes. Private schools have funding paid by the tuition. Public schools rely on taxes and fundraising to keep the schools functioning. This entire bill is disrespectful, insulting and frankly abhorrently rude to the entire public school system and all of the hard-working people that make these schools function.

A disappointed and frustrated tax payer,

Amber Theisen

Testimony for HB 1540

To Whom it may concern,

I ask that you vote in favor of HB 1540 to allow parents who are less fortunate to have an opportunity to send their students to a Catholic School to further their relationship with our Lord. Every denomination is welcome to attend our Catholic Schools. I also ask for your yes vote on 1540 to allow all families to have the opportunity to choose place their child will attend school whether in a Public School or a Private School. Thank you for your prayerful consideration.

Sincerely,

Michael Bichler

Chairman Heinert and members of the House Education Committee,

I am writing in opposition to HB 1540, which would set up an Educational Savings Account for non-public school students. I want my tax dollars to support our public schools. Therefore, I respectfully ask for a “no” vote on HB 1540.

I keep asking myself why I care so deeply about the negative impacts of HB 1540 and the answer is simple: the kids. As a proud North Dakota public school educator with 34 years of experience, I believe all children deserve access to the strongest public education possible, both now and in the future. For the last two decades of my teaching career, I have worked in a high-poverty school, and I have seen firsthand the challenges families face. It's for the first student who came to my Books & Braids program at my school and last year sent me a letter telling me that she is on her way to becoming a teacher, and for the student whose mom is working two jobs and still struggling to make ends meet, for the student who is homeless, for the student in foster care, and for the students whose needs go far beyond the curriculum. All students, including these students and students like them across the state who might not have someone to advocate for them, deserve to have the best public education—where dollars are not going to private schools that remain out of reach for many families, even with Education Savings Accounts. I am deeply concerned that these Education Savings Account bills will further disadvantage the very students who need support the most.

While some claim that this bill "levels the playing field," this is far from the truth. Families living in poverty face significant barriers that Education Savings Accounts cannot erase, making these school “choices” unrealistic for some families. Even with financial assistance, many cannot afford private school tuition, uniforms, or reliable transportation. In fact, in many states, private schools increased tuition after bills such as this were implemented. These barriers make private schools an unrealistic “choice” for many of the families I have dedicated my career to serving.

Additionally, this bill lacks the accountability, transparency, and commitment to equitable access that public schools are required to uphold. Private schools receiving Educational Savings Account funds are not held to the same standards for student outcomes or financial reporting. This creates an unfair system that disadvantages the very students this bill claims to support.

Public education is the true equalizer—a system designed to welcome and support **EVERY** child, including those with special needs, regardless of their background or income. Unless private schools are required to accept all students, provide the services they need, and maintain the same level of transparency as public schools, taxpayer dollars must remain in public education. An Education Savings Account weakens the foundation that serves the vast majority of North Dakota's children.

I urge you to vote NO on HB 1540 and instead invest in strengthening our public schools—the most effective way to ensure every child has the opportunity to thrive.

Kind regards,
Sara Medalen
Academic Interventionist and 2020 North Dakota Teacher of the Year

Testimony, North Dakota Senate
Education Committee – HB 1540
Presented: March 17th, 2025 – 2:30PM CST.
Presented by: Jacob Odermann

Mr. Chairman, members of the committee my name is Jacob Odermann. My wife AJ, our four children and myself are the 3rd and 4th generation to ranch on our family operation north of Belfield in Billings county. My children and I also represent the 2nd and 3rd generations that have attended Trinity High School in Dickinson.

The question at hand today to this committee is what value do parochial schools provide?

In a word – choice, and for families like mine, we not only cover our cost of tuition, but also the significant cost of transportation to and from school, most days this means over 100 miles of travel for family members.

Our family currently resides in a district with no high school and has chosen Trinity for 3 generations because of Trinity's Mission - teaching the whole student "Mind, Body and Soul".

Trinity and schools like it fill an important space for educational opportunities. High quality, accredited, faith-based education provides children the opportunity to learn math and science while also being able to learn about their faith on a day to day basis. Teaching morals and values which are essential in today's society.

Titans see teachers and coaches do more with less everyday, individuals who believe in our mission, individuals who could have left for greener pastures.

Giving up earthly treasure for the minds, bodies and souls of their students. These individuals truly are models of Christ and give students

an example of why giving of our time and talent is far more meaningful than any amount of financial wealth.

As representatives of your districts, I thank you for modeling the same type of self-sacrifice, you give of your time, talent and treasure to be in Bismarck representing the people of your districts.

North Dakotans for generations have emphasized education, families need to be able to choose educational opportunities which our best for their children.

With this bill you have an opportunity to provide financial support to ALL students educated in North Dakota regardless of school choice. I urge you to support HB1540.

I am a teacher and a concerned parent with young children enrolled in public school and residing in Hatton, ND. I want to express my strong opposition to HB1540, a voucher bill that threatens to further destabilize our already underfunded public education system in North Dakota.

This bill proposes to divert vital public funds away from our public schools and allocate them to private institutions through a voucher system. This approach is fundamentally flawed and will have detrimental consequences for the vast majority of North Dakota's children.

The Reality of Public Education in North Dakota:

- **Underfunding:** Our public schools are already grappling with insufficient resources. Teachers are stretched thin, classrooms are overcrowded, and essential programs are being cut. This bill will exacerbate these problems by siphoning away critical funding.
- **Majority Attendance:** It is essential to recognize that approximately 93% of North Dakota's students attend public schools. These schools are the cornerstone of our communities, providing a quality education to the overwhelming majority of our children. Diverting funds from these institutions will directly harm the education of most students in our state.
- **Teacher Recruitment and Retention Crisis:** North Dakota, like many other states, is facing a significant challenge in recruiting and retaining qualified teachers. This crisis is compounded by low salaries, limited resources, and increasing workloads. HB1540 will only worsen this situation by further diminishing the resources available to support our dedicated educators.
- **Lack of Accountability:** Private schools receiving public voucher funds are often not held to the same standards of accountability as public schools. This lack of transparency and oversight raises concerns about the quality of education being provided and the proper use of taxpayer dollars.
- **Increased Inequality:** Voucher programs tend to disproportionately benefit wealthier families who can afford to supplement the voucher amount, further widening the gap between the privileged and the disadvantaged. Public schools are designed to provide equal access to education for all children, regardless of their socioeconomic background.

The Impact of HB1540:

- By diverting funds, HB1540 will force public schools to make even more drastic cuts, impacting essential programs such as special education, arts, and extracurricular activities.
- This bill will undermine the principle of public education as a common good, fracturing our communities and creating a two-tiered education system.
- It will further strain our already struggling teacher workforce, leading to increased teacher shortages and a decline in the quality of instruction.

Instead of diverting scarce resources, we should be investing in our public schools, providing our teachers with the support they need, and ensuring that all children have access to a quality education.

I urge the committee to reject HB1540 and prioritize the needs of our public schools and the vast majority of North Dakota's students.

Members of the Senate Education Committee,

My name is Kelsey Connole and I am writing today in support of HB 1540. My husband and I are the parents of two North Dakota, elementary-aged school children. Like all parents, we are always looking for ways to best support our children's growth and development, and one of those ways is by choosing the schools our children attend.

The capacity for parents to make educational choices for their children is a freedom that should be allowed to all regardless of financial ability. Parents are increasingly choosing to send their children to non-public schools, but doing so does not come without the financial burden of non-public school tuition.

Having an Educational Savings Account could greatly benefit our family. More importantly, an Educational Savings Account could greatly benefit the families of children whose parents desire a non-public school education for their children but are unable to make a commitment due to financial hardship. Parents of all families deserve to be able to make the educational choices they see best fit their children.

Not only would the passing of this bill create opportunities for parents to make educational choices for their children, it would also allow the tax dollars of families who send their children to non-public schools to be justly distributed among North Dakota students.

I strongly urge you to consider a 'Do Pass' on HB 1540 for the freedom of educational choice for the parents of North Dakota.

Thank you,

Michael & Kelsey Connole

As a private school parent, I understand the importance of private schools. My husband and I make the choice every year to send our kids to a private school that we feel provides them with the education they need. This is a financial, educational, and social choice we make every school year.

As a public-school teacher, I 100% value public school educators and students and understand the importance of every kid receiving a quality education. Public schools are notoriously underfunded, and teachers are underpaid for the amazing work they do. While that is the case, every teacher I know are there for the kids every day to provide them with the best education possible.

Taking public funds and routing them to private schools is not the answer. I know many have argued that these are not funds that will be allocated to public school anyway. I don't see that being an argument. These are public funds; they should not be used for private education. There are not enough private schools and not enough accountability in private schools for these types of bills to function appropriately. They tend to prioritize families like mine that can afford private school education already. (https://www.brookings.edu/articles/arizonas-universal-education-savings-account-program-has-become-a-handout-to-the-wealthy/#:~:text=Some%20of%20the%20takeaways%20from,likely%20to%20obtain%20ESA%20funds.) The people taking advantage of these programs will not be those families that need the funding and if they do, these funds will not be enough to pay for a full school year of private education. If we want to prioritize education in ND and make students more successful, we should be looking at expanding programs like counselors, OT, PT, advanced learning programs for high learners, more paraprofessionals, smaller classroom sizes, state funded reading and math interventionist, the list can go on and on. Taking these taxpayer funds and using them to fund private and or religious education (in most cases in ND) is not what taxpayers want.

As someone who would financially benefit from this bill passing, I am submitting this testament to make it clear that I DO NOT want public funds to be used for private education.

HB 1540

I'm asking the Senate Education Committee to give HB 1540 a DO NOT PASS recommendation.

I'm a retired teacher who taught for 31 years in the Fargo Public Schools and am a lifetime North Dakota resident, and I feel that it's imperative that we keep public dollars in public schools.

Public education should not be privatized. Privatization (vouchers) puts children at risk, especially those children who are low income or have special needs. Private schools can choose which students they accept, and neurodivergent students and low income students won't be at the top of the list. In the meantime, since public taxes will be funneled away from public schools, the services there will take a hit. It's a lose/lose for students. Privatization will also leave rural schools at risk of closure or consolidation, and it will make the teacher shortage even worse.

Thank you for your consideration.

Jill Kurtz

1508 62nd Ave N

Fargo, ND 58102

fargojill@msn.com

Kristin Nelson

5409 20th Street South

Fargo, ND

District 46

3/16/25

DO NOT PASS HB 1540

Chair Beard and members of the Senate Education Committee:

I write to you today to urge a **DO NOT PASS** recommendation for HB 1540. I am concerned about the new financial outlook of our state and the priority of this bill. When prioritizing funding, our state needs to remember that we are **obligated by the state constitution to educate our children**. Public education has **innovative and top tier offerings** that we can only continue to offer students with proper funding. A 2% increase this biennium is **not** close to enough to ensure our **schools are well funded** and to offer our teachers **appropriate raises**.

Vote a **DO NOT PASS** on this bill. With all the uncertainty around the country and locally, funding private schools should **not be the priority**. Those that take their kids to private schools **can already afford it**. Only 32% of students have private school access so it makes no sense to make this bill a priority this year. **Fund** our public schools and **support** our public school staff. **Public dollars must stay with public schools**.

For those reasons, **DO NOT PASS HB 1540**.

Respectfully submitted:

Kristin Nelson (she/her)

Stephanie Baumgardner
3701 N Sedona Dr.
West Fargo, ND
701-306-8577
stephbaumgardner00@gmail.com

March 16, 2024

Concerns About HB1540 & SB 2400
Using Public Education Funds for Private Schools: Impacts and Evidence

Honorable Chair Beard and Members of the Senate Education Committee,

As a parent of students in West Fargo Public Schools and a 3rd-grade teacher within the district, I, Stephanie Baumgardner, am writing to express my deep concerns regarding the proposal to use public education funds for private schools. I believe HB1540 would significantly and negatively impact our local public education system.

One of my primary concerns, both as a parent and an educator, is the disparity in accountability between public and private schools. Public schools in West Fargo, like those across the state, are held to strict standards, including standardized assessments, transparent financial reports, and state educational guidelines. This ensures that taxpayer money is used responsibly and effectively. In contrast, private schools often operate with greater autonomy, which can lead to less transparency in how public funds are spent. As the National Education Association (NEA) points out, voucher programs, which transfer public money to private schools, often lack proper accountability, potentially harming public trust and efficient resource use (National Education Association, "Vouchers," https://www.nea.org/advocating-for-change/action-center/our-issues/vouchers).

Furthermore, moving public funds to private schools would significantly impact the fair distribution of educational opportunities within West Fargo. Our public schools are required to educate all students, regardless of their background, abilities, or beliefs. Taking resources away from these schools worsens existing inequalities, especially for students in underserved communities who rely on public education. As First Focus on Children has documented, privatizing public school funds can threaten fairness, access, and educational quality (First Focus on Children, "Privatizing Public School Funds: Threats to Equity, Access, and Educational Quality," https://firstfocus.org/resource/privatizing-public-school-funds-threats-to-equity-access-and-educational-quality/).

Additionally, the issue of fairness and access is further complicated by the selective admissions policies of many private schools. As a 3rd grade teacher, I see firsthand the diverse needs of our student population. Public schools, under the Individuals with Disabilities Education Act (IDEA), must provide specialized services to students with disabilities. Private schools are not always held to these standards, which could lead to the exclusion or inadequate support of vulnerable students. As Britannica explains, discrimination is a key concern when discussing school vouchers (Britannica, "School Vouchers Debate," https://www.britannica.com/procon/school-vouchers-debate).

Finally, using public funds for private religious schools raises constitutional questions about the separation of church and state. This principle is vital for maintaining a public education system that respects the diverse beliefs of all West Fargo students and families.

I strongly urge you to reconsider this policy, and instead focus on investing public funds in strengthening and improving our West Fargo Public Schools, which are crucial for our community.

Sincerely,
Stephanie Baumgardner
3rd Grade Teacher, West Fargo Public Schools
Parent, West Fargo Public Schools

HB 1540
Senate Education Committee
March 17, 2025

Chair Beard and members of the Senate Education Committee. My name is Ana Tobiasz. I reside in Mandan, ND and have four children in the Mandan Public School System. I strongly urge a DO NOT PASS on HB 1540.

While my children currently attend public schools, my children have also attended the private schools in Bismarck. Due to the lack of opportunities that were present in the private school system, lack of bus transportation, as well as lack of support for our child with specific learning needs, we opted to transfer all of our children to the public school system and have been extremely satisfied with the services offered. In the private school system, anytime there was additional coursework needed it was accomplished through our robust public school system. The opportunities that students have in the Mandan School system as an example are exceptional for those who want to or need to take advantage, including the opportunities available through ND Distance Education and the career center.

Private schools receive their funding by tuition and community donations. They can increase the cost of tuition at any time if they need to increase services and are not bound by the same standards for admission. Public schools are required to provide services for all and in my experience have been a much better fit for my child with special learning needs. **This bill does not increase the amount of funds the private school receives, it just changes the source of a portion of the funding and removes funding for public schools**.

Families in this state already have school choice. You legally have the choice to send your children to public school, private school, or to homeschool. Geographically in the state of ND, the majority of students do not have access to private schools unless residing in one of the more urban areas of the state. There are already opportunities for additional coursework through ND Distance Education for those who reside in rural areas who may not have as many courses available in the smaller school districts. The bill sponsor argues that this would improve this access when these services are already robust and available to any public school student.

Families who want their children to have religion intertwined with their education can pay for their children to attend private school. There are other means to provide a religious foundation to your children, such as attending your local church services and what you teach at home yourself. Taxpayer dollars should not be utilized to fund your choice of religious upbringing.

Additionally, **directing taxpayer dollars to private religious schools is in direct contradiction to the ND Constitution. As referenced in Section VIII, Section 5: "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."**

It is to everyone's benefit to have a well educated community. We all do better as a society if everyone has opportunities. **Should individuals who do not have school age children and do not directly receive the benefits of the public schools receive a tax credit to use as they seem fit?** That is essentially the argument being used by the bill sponsors to justify the development of an education savings account.

We need to focus on making sure our public schools have the funds they need, not funneling money to individuals who choose to send their children to a private or religious based school.

HB 1540
Senate Education Committee
March 17, 2025

As a taxpayer, I am happy for my tax dollars to go to support children receiving a public school education and to ensure our educators are appropriately paid and our schools have the resources they need to serve our community. Undoubtedly the public school system is imperfect; but rather than funneling money away from public schools, we should invest in the structure already present to allow more opportunities within the public school system rather than taking away funding. Religion plays a different role for every person. My tax dollars should not be used to fund any religious views preferentially over others.

Respectfully submitted,

Ana Tobiasz

House Bill 1540
Senate Education Committee - Sen. Todd Beard, Chair
March 17, 2025 -- Testimony in Opposition to HB 1540

Chairman Beard and Members of the Senate Education Committee, I am Vicki Voldal Rosenau, a parent and resident of Valley City, ND. Thank you for this opportunity to offer my testimony in opposition to House Bill 1540.

I oppose HB 1540 because it is part of a serious attack on our North Dakota public schools. Promoters of school privatization are pushing for an extremely radical change to our state's entire educational system. Radical because the unpopular scheme to divert many millions of public tax dollars into private and homeschool operations would undermine public schools—and the small and rural communities that depend on them.

HB 1540, by forcing all taxpayers to fund private schooling entities, would drain limited public resources. What's worse, it would drastically damage North Dakota's small-town way-of-life, and likely force the closure of small public schools that currently serve as the hearts of our communities, both economically and socially.

Sadly, some promoters of this and the other privatization bills are spreading lies about our public schools. Let's set the record straight with two key, documented facts:

1. FACT: North Dakota's public schools rank among the best in the nation, with strong academic performance and national recognition. [https://www.nd.gov/dpi/news/national-exam-nd-students-show-strength-math , https://www.kxnet.com/news/state-news/north-dakota-ranks-high-for-k-12-education/ and https://insights.nd.gov/Education/State/StateAssessment/StudentAchievement]

2. FACT: We do NOT need to publicly fund private entities in order to offer all students ample learning-pathway choices, because our public schools already offer a wide range of innovative education-choice options. Moreover, our public-schools network has the capacity to efficiently expand new opportunities as needed, without diverting any funds to private or charter facilities.

Lawmakers who are still pushing HB 1540 are ignoring the clear will of North Dakotans; they know that at least 68% oppose this misuse of huge amounts of taxpayer dollars. (Voters do realize that allowing state funds to be diverted to private schools would just be letting the camel's nose under the tent.)

At this point, it feels as if we North Dakotans are threatened with having a big chunk of our tax dollars and a critical piece of our lifestyle taken from us against our will. That would be flat-out wrong.

Chairman Beard and Committee, please recommend "Do Not Pass" on HB 1540.

Thank you for your consideration,
Vicki Voldal Rosenau, Valley City

Dear Senate Education Committee,

My name is Katie Howard. I am a teacher in Devils Lake, ND and will have a child entering the public school system this fall. I am writing to express my concerns about HB 1540 and to advocate for the continued support of public schools in our state.

Our public schools serve all students, regardless of their background, ability, or socioeconomic status. Giving taxpayer dollars to private schools— which are not held to the same accountability and transparency standards as public schools— undermines the very foundation of our education system. Voucher systems like HB 1540 prioritize those who can already afford private education, leaving our most vulnerable students behind. I believe families should have a choice to send their children to a private institution, but taxpayers should not foot the bill for that choice.

Additionally, this bill would harm our rural communities where private school options are unavailable. Putting public funds toward private institutions weakens the resources that public schools depend on. Rather than implementing a voucher program that benefits a select few, we should focus on fully funding public education, where over 90% of North Dakota students are educated. I urge you to oppose HB 1540 and instead advocate for policies that strengthen public schools for all students.

Thank you for your time and consideration. I appreciate your dedication to the future of education in our state.

Sincerely,

Katie Howard

March 16, 2025
To Senate Education committee:
Since we submitted testimony to the House Education Committee 2/5/25, in opposition to HB1540, we have seen no evidence that the legislature is feeling any more generous than before to public school funding, including lunches. This bill is inconsistent with Article VIII Section 5 of Century Code. The legislature needs to do a lot more to secure adequate funding for public schools. Vouchers for private schools are inappropriate and it would seem illegal. Please vote down HB1540.

James B. Buhr
613 Chautauqua Blvd.
Valley City, ND 58072
(701) 840-1570
James.b.buhr.md@gmail.com

Sharon E. Buhr
613 Chautauqua Blvd
Valley City, ND 58072
(701) 840-0973
Sharon.e.buhr@gmail.com

Dear House Education Committee,

Today I write to you on behalf of my wife and I and our support of HB 1540. Our children attend Bishop Ryan Catholic school in Minot. We currently have four children and a fifth on the way. Our oldest two children are enrolled with our third attending part time next fall. Though financial sacrifices have to be made, we believe that the price for a Christ-centered education is worth the sacrifice. Tuition costs can feel overwhelming at times.This is the right decision for our children and our family and this choice should not be such a financial strain. The decision to send our children to Bishop Ryan was not difficult to make. Bishop Ryan offers our children the chance to grow both in their faith and excel in their academic education. I feel that there may be a stigma that if you attend a private school, your family is financially sound, so assistance is unnecessary. This is certainly a misunderstanding. Many families are willing to do whatever it takes to give their children a quality education that is centered around God, despite their financial situation. God being at the forefront of our children's daily lives is something that we feel is of the utmost importance. The grasp that our children have on their faith at such a young age reassures that we have made the right decision. We highly encourage you to support HB 1540. The passing of this bill would help tremendously with the affordability of private education for many North Dakota families. Thank you for your time and consideration.

Kyler and Dailey Elm

I am writing to urge the North Dakota legislature to oppose HB 1540 and SB 2400. Both bills divert funds away from our public schools. I firmly believe our tax dollars should be used to support those schools that serve all students. When my children were no longer attending school, I never imagined that I would stop paying to support my schools. Everyone in our communities benefit from educating our kids. They all deserve a chance to learn and this bill just makes it harder for schools.

As a parent, I had choices and parents today, still have those same choices, if they don't like the pubic schools their kids attend. I could pay for a private school (as long as the private school accepted them). I could homeschool. I could volunteer at the school, to help make things better. I could move to another school district. I could enroll my kids in programs and extra activities after school, to teach them about things they wouldn't learn at a public school, but were important to me.

These bills overwhelmingly benefit the people that can already afford to pay to send their kids to a private school. Public schools need to benefit all students.

Please vote no on HB 1540 and SB 2400.

Thank you for your consideration.

Debbie Kauffman

North Dakota Catholic Conference

Representing the Diocese of Fargo and the Diocese of Bismarck

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To: Senate Education Committee
From: David Tamisiea, Executive Director
Subject: House Bill 1540 - Education Savings Accounts
Date: March 17, 2025

The North Dakota Catholic Conference supports House Bill 1540.

HB 1540 seeks to improve the way education is provided in North Dakota by respecting a child's right to a quality education and a parent's right to choose the education best suited to their child.

A Principled Approach to Education That Respects the Rights of Parents and Children

Every child has a right to a state-supported education. This right is rooted in the immeasurable dignity of each child, and the obligation of the political community to provide concrete assistance for the education of all children so that they can achieve their potential.

Parents are the primary educators of their children. This is because they are ultimately responsible for their children's growth, formation, and development into adulthood. As the primary educators of their children, parents have a duty and right to choose the kind of education that best meets their child's needs.

HB 1540 respects both the right of the child to a state-supported education and the right of the parent to choose the form of education best suited to the child. It gives families affordable options to choose from through education savings accounts instead of a "one-size-fits-all" approach to education.

Education Savings Accounts

Currently in North Dakota, parents have three options for educating their child: public school, non-public school, and home education. HB 1540 recognizes that these three choices are not equal in terms of the financial burdens placed upon families. It seeks to alleviate the financial burden on parents who choose to educate their child in a nonpublic school through the use of an Education Savings Account (ESA). It would expand choices for families so they could utilize educational tools and materials that they otherwise might not be able to afford. The funds deposited into a parent's ESA could be used for qualified educational expenses, including tuition and fees, textbooks, tutoring, curriculum materials, online classes, examination fees, computer technology, and transportation fees.

North Dakotans Strongly Support School Choice

Recently, the North Dakota News Cooperative commissioned a statewide poll on school choice from February 27, 2025 through March 2, 2025. (The ND News Cooperative Poll is attached to this testimony.) The poll data shows that likely voters strongly support school choice and the use of taxpayer dollars to support public, private, and homeschooled kids. Total support for school choice was 64% with only 31% opposed. This data underscores a significant public endorsement for ESAs, which empower parents to allocate funds toward educational environments that best suit their children's unique needs, thereby enhancing educational outcomes across the state.

Do Not Let North Dakota Fall Behind

Parental choice is widely recognized as essential for quality K-12 education. Earlier this year, the President signed an executive order to expand educational freedom by directing federal agencies to prioritize school choice programs when awarding federal dollars to support state K-12 education.[1] There are currently 33 states that have some form of parental choice in education that allow public funds to be used by parents to access the schools or services that best fit their child's needs.[2] These state school choice programs include education savings accounts, school vouchers, and tax credits and deductions. When you add public charter schools into the mix, only Kentucky and North Dakota have no school choice options for parents and their children.[3] We should not allow North Dakotan families to be left behind without the ability to choose the best form of education for their children.

Education Savings Accounts Expand Educational Choice

Education Savings Accounts funds under HB 1540 are available for a wide variety of educational uses tailored to meet an individual student's needs. Eligible uses include not only private school tuition and fees, but also textbooks, online classes, tutoring, test prep, transportation costs, computer technology, and the like for any eligible student.

Current non-public school students could use ESA funds for tuition and fees. Public school students who could not otherwise afford it could also use their ESA funds to attend a non-public school, which may better match their beliefs, values, and needs.

It is also not true that there are no non-public schools in rural North Dakota. There are non-public schools in Rugby, Langdon, Valley City, Sentinel Butte, Watford City,

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[1] "Fact Sheet: President Donald J. Trump Expands Educational Opportunities For American Families," at https://www.whitehouse.gov/fact-sheets/2025/01/fact-sheet-president-donald-j-trump-expands-educational-opportunities-for-american-families/

[2] EdChoice, "School Choice in America," at https://www.edchoice.org/school-choice-in-america-dashboard-scia/.

[3] National Center for Education Statistics, "Fast Facts: Charter Schools," at https://nces.ed.gov/fastfacts/display.asp?id=30.

Belcourt, Fort Yates, Fordville, Wahpeton, Williston, Devils Lake, and Jamestown. Rural families in these areas could use ESA funds to pay for non-public school tuition.

It Is Entirely Appropriate to Use Public Funds for Non-Public Schools

Opponents object to public funds being directed to non-public schools. Detractors see this as an inappropriate use of tax-payer funds since these are private organizations and not state-run entities.

This objection is misplaced since these funds would be deposited directly into ESAs and then the parents would use the funds to make the best educational choices for their children. Nothing would go directly to a non-public school. If the parent chose to send their child to a non-public school, this would only be an indirect payment consequent to the decision of the parent.

Moreover, why do opponents insist that public funds can only be used by public schools to educate our children? Like all states, the state of North Dakota directs public funds to private organizations in other areas besides education to help carry out essential social services for its citizens. For example, North Dakota directs public funds to private religious non-profit organizations to conduct adoptions like Catholic Charities North Dakota and Christian Adoption Services. Further, the state directs medicaid payments to cover medical services given to the poor at private hospitals and clinics throughout the state. North Dakota also provides public funding to Dakota Boys & Girls Ranch and Home on the Range to care for troubled youth. In addition, state funds are directed to the Anne Carlsen Center and other providers to care for children with behavioral and developmental challenges. Many more examples could be offered. The point is that it is entirely appropriate for state funds to be used by parents to pay for non-public schools, just as it is done by the state in other areas of service.

North Dakota's Non-Public Schools Are More Regulated by the State Than Any Other Non-Public Schools in the Country

Another objection against directing public funds to non-public schools is that these schools are not accountable to the state. This is not true for two reasons.

First, this bill directs public funds directly into ESA accounts for a parent to use for their child's educational needs. No funds go directly to non-public schools, and a parent may use the funds for other approved educational resources. It is the parent's choice. Second, even if a parent chooses to use ESA funds to pay for tuition at a non-public school, North Dakota non-public schools are regulated by the state more than any other non-public schools in the country.[4] North Dakota is one of only eight states that require all non-public schools to be approved by the state. In only two of these states - Massachusetts and North Dakota - are the approval requirements for non-public

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[4] State Regulation of Private and Home Schools, U.S. Department of Education, 2025; Specific State Laws, at https://www.ed.gov/sites/ed/files/about/inits/ed/non-public-education/files/permission-to-operate-comparison-chart.pdf.

schools identical to the requirements for public schools. Only one of these two states - North Dakota - requires non-public school teachers to be licensed by the state. This leaves North Dakota as the only state in the nation that mandates both state approval for nonpublic schools identical to that for public schools and requires state-licensing for nonpublic school teachers.

Education Savings Accounts Are Constitutional

Art. VIII, Sec. 1: Opponents of public funds going toward education savings accounts also claim Article VIII, Section 1, of the North Dakota Constitution prohibits the use of public funds for private education. This is not what this section says. Rather, it merely says, "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" ("sectarian" = religious). North Dakota *has* established a public school system "free from sectarian control" and "open to all children of the state of North Dakota." But there is nothing in our state Constitution that limits the legislature *only* to establishing public schools for educating our children.

Nothing prevents the legislature from doing *other* things in addition to a public school system to support and enhance education in North Dakota, like providing public funding for ESAs to support parental educational choice. In fact, under Article VIII, Section 4, of the North Dakota Constitution, it says "The legislative assembly *shall take such other steps as may be necessary* to prevent illiteracy, secure a reasonable degree of uniformity in course of study, and to promote industrial, scientific, and agricultural improvements" (emphasis added).

Art. VIII, Sec. V: Opponents also frequently claim that Article VIII, Section V, of North Dakota's Constitution prohibits educational funds going toward anything other than public schools, because it says, "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."

This constitutional provision banning the use of public funds for the support of religious schools is known as the "Blaine Amendment." The Blaine Amendment is named after James Blaine, a 19th-century Maine politician who in 1875 unsuccessfully tried to have this provision added as an amendment to the U.S. Constitution. Despite this lack of success, Congress at the time forced new states, including North Dakota, to include the Blaine Amendment in their state constitutions as a condition of obtaining statehood.[5]

The U.S. Supreme Court has in three recent decisions declared that state Blaine Amendments banning the use of government funds to support religious schools violate the First Amendment of the Constitution by interfering with the free exercise of religion and are therefore void and unenforceable. In *Trinity Lutheran Church v. Comer* (2018), the U.S. Supreme Court held that the state of Missouri violated the First Amendment by excluding a faith-based preschool from a state program that provided recycled tires for playground resurfacing simply because it was religious. In *Espinoza v. Montana*

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[5] Act of Feb. 22, 1889, 25 Stat. 676, ch. 180 (1889)

Department of Revenue (2020), the U.S. Supreme Court held that the Montana Supreme Court violated the First Amendment when it invalidated, on state constitutional grounds, a private-school-choice program because it included faith-based schools. Likewise, in *Carson v. Makin* (2022), the U.S. Supreme Court held that Maine unconstitutionally excluded religious schools from a publicly-funded scholarship program for students in rural school districts. In all three case, the Court held that withholding public funds from private religious schools under a state constitution's Blaine Amendments was unconstitutional.

On November 29, 2022, Attorney General Drew Wrigley issued a formal legal opinion affirming the unconstitutionality of the Blaine Amendment in North Dakota's Constitution.[6] (The AG's opinion is attached to this testimony.) The Attorney General's opinion states: "the Blaine Amendment is not enforceable under United States Supreme Court case law" and "the United States Supreme Court has barred the state from enforcing its Blaine Amendment." Blaine is dead. While the state of North Dakota is not obliged to fund private religious schools under our state constitution, nothing prohibits the state from directing public funds to religious schools.

Nevertheless, we continue to hear from opponents of educational choice that, although the state's Blaine Amendment is unconstitutional, the legislature should respect the intent of the state's Founders and enforce it legislatively anyway. This assertion is deeply troubling. The state's Blaine Amendment is unconstitutional because it violates the First Amendment of the United States Constitution that protects American citizens against unjust religious discrimination by the government. Proponents of keeping its "spirit" because of "tradition" or respect for the state's founders are asking this legislative body to knowingly violate the First Amendment of the U.S. Constitution and the religious rights of North Dakotans.[7]

Conclusion

Education savings accounts respect the rights of children to a state-supported education and the rights of parent to direct the education of their children. Education savings accounts are constitutional and would expand educational opportunities for families in North Dakota.

We urge a **Do Pass** recommendation on House Bill 1540.

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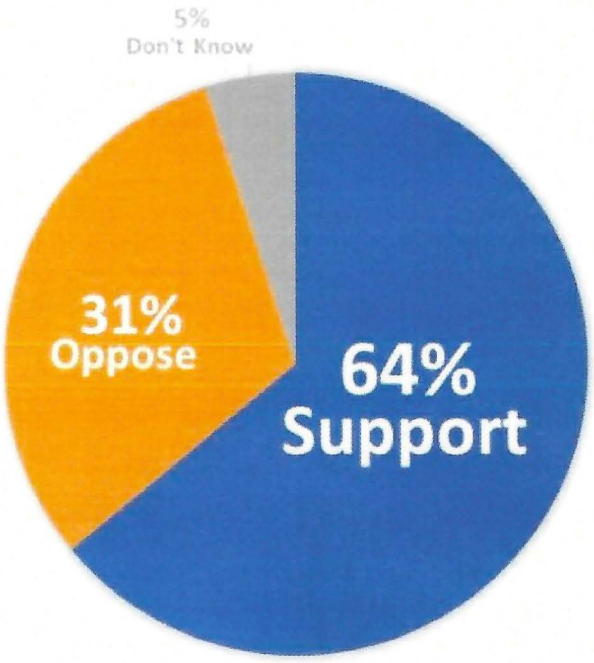
[6] North Dakota Attorney General Opinion 2022-L-07.

[7] The state's founding fathers did not willingly choose to include the Blaine Amendment in the state constitution. Congress, which was swept up in anti-Catholic and anti-immigrant hysteria at the time, forced the state to include the Blaine Amendment in the state's constitution as a condition of obtaining statehood. (Act of Feb. 22, 1889, 25 Stat. 676, ch. 180 (1889).)

Please take a moment to review this research study:

School choice gives parents the right to use tax dollars designated for their child's education to send their child to the public or private school that best serves their needs.

Would you say that you support or oppose the concept of school choice?



Source: North Dakota News Cooperative, WPA Intelligence. Pollsters called 500 North Dakota voters Feb. 27 - March 2. The poll has an error margin of +/- 4.4%. CLICK HERE for the full story.

To read the full article from the Fargo Forum, CLICK HERE.

STATE OF NORTH DAKOTA
OFFICE OF ATTORNEY GENERAL
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Drew H. Wrigley
ATTORNEY GENERAL

LETTER OPINION
2022-L-07

Dr. Rebecca S. Pitkin
Executive Director
North Dakota Education Standards and Practices Board
2718 Gateway Ave., Ste. 204
Bismarck, ND 58503-0585

Dear Dr. Pitkin:

Thank you for your questions regarding the Teacher Support System and the availability of related grants for private school teachers. Specifically, you ask (1) whether private school teachers who are also mentors may participate in the Teacher Support System, and (2) whether private school teachers who are also mentors may receive grants to participate in the Teacher Support System. Nowhere in the applicable statute or administrative code are non-public school teachers prohibited from participating in the Teacher Support System. However, the context of your question indicates the key issue underlying these questions is whether Article VIII, Section 5 of the North Dakota Constitution ("the Blaine Amendment")[1] prohibits teachers at sectarian schools from receiving grants from the Teacher Support System. It is my opinion that the Blaine Amendment is not enforceable under United States Supreme Court caselaw, and therefore teachers at sectarian schools may receive grants from the Teacher Support System.

ANALYSIS

The Blaine Amendment was adopted as Article 152 of the 1889 North Dakota Constitution and provides that "[n]o 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."[2] The North Dakota Supreme Court has held "[a] 'sectarian institution' is 'an institution affiliated with a particular religious sect or denomination, or under the control or governing influence of such sect or denomination.'"[3] Over time, the definition of "sectarian" has broadened to include "relating to" or "supporting a particular religious group and its beliefs."[4] As a result, the Blaine Amendment effectively means "[n]o money raised for the support of

[1] In 1875, then Speaker of the U.S. House of Representatives James Blaine proposed an amendment to the United States Constitution which would prohibit states from providing public funds to religious schools. After Blaine's amendment failed to pass the U.S. Senate, 38 states passed amendments to their state constitutions barring state funding of religious or sectarian schools. These amendments are colloquially referred to as "Blaine Amendments."
[2] N.D. Const. art. VIII, § 5.
[3] *Gerhardt v. Heid*, 267 N.W. 127, 131 (N.D. 1936).
[4] Black's Law Dictionary (11th ed. 2019).

the support of the public schools of the state shall be appropriated to or used for the support of any [religious private school]."[5]

The Teacher Support System is a mentoring program for new teachers operated by the North Dakota Education Standards and Practices Board (ESPB).[6] A teacher who holds an initial, two-year license must participate in the Teacher Support System to be eligible to apply for a five-year-renewal license.[7] The legislature appropriated $2,125,764 to the ESPB for the 2021-23 biennium to provide grants to Teacher Support System mentors.[8] The applicable statutes and administrative code do not prohibit private school teachers from participating in the Teacher Support System as either mentors or mentees. Given that participation in the mentor program is a requirement for renewed licensure and the lack of contrary language in statute, it is my opinion that teachers at private schools may participate in the Teach Support System as mentors. Similarly, it is my opinion that teachers at private schools may receive grants for participating in the Teacher Support System.

However, this does not end the inquiry. As noted above, the Blaine Amendment bars appropriated funds and public money from being used to support any sectarian school. On its face, this prohibition would apply to Teacher Support System grants provided to mentors employed by sectarian schools. However, in two recent decisions, the United States Supreme Court cast doubt on whether Blaine Amendments can be reconciled with the First Amendment to the United States Constitution. In *Trinity Lutheran Church of Columbia, Inc. v Comer*,[9] the Court held a "law . . . may not discriminate against 'some or all religious beliefs.' . . . The Free Exercise Clause protects against laws that 'impose [] special disabilities on the basis of . . . religious status.'"[10] The Blaine Amendment functionally prohibits religious private schools from receiving grants from the Teacher Support System, while teachers at non-religious private schools are allowed to receive the grants. This is precisely the type of disadvantage the Supreme Court concluded may not be imposed on the basis of religious status.[11]

The Supreme Court went even further in *Espinoza v. Montana Dept. of Revenue*.[12] In that case, the Court held that, because Montana's Blaine Amendment had been applied to discriminate against schools and parents based on the religious character of the school at issue, the amendment was subject to the strictest level of judicial scrutiny.[13] The Court made clear an interest in separating church and

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[5] N.D. Const. art. VIII, § 5.
[6] N.D.A.C. § 67.1-04-04-03.
[7] N.D.C.C. § 15.1-13-10(9).
[8] *See* H.B. 1013, 2021 N.D. Leg., Section 1, Subd. 1 - part of the "Grants – program and passthrough" line item.
[9] 137 S.Ct. 2012 (2017).
[10] *Id.* at 2021 (citations omitted).
[11] *Id.* at 2021-2022.
[12] 140 S.Ct. 2246 (2020).
[13] *Id.* at 2260 (noting that, to satisfy this "strictest scrutiny" test, the government action in question must "advance 'interests of the highest order' and must be narrowly tailored in pursuit of those

State "cannot qualify as compelling in the face of the infringement of free exercise."[14] The Court concluded that "[a] State need not subsidize private education. But once a State decides to do so, it cannot disqualify some private schools solely because they are religious."[15] Recently, the Supreme Court expanded the *Espinoza* holding in *Carson v. Makin*.[16] In *Carson*, the Court held the application of Maine's Blaine Amendment to generally available tuition assistance payments violated the Free Exercise Clause of the First Amendment. The Court said the Blaine Amendment impermissibly denied public funding to certain private schools solely because the schools are religious.[17]

Here, as in *Carson* and *Espinoza*, the state created a mentorship program that is mandatory for licensure renewal. Fairly applied, the Blaine Amendment would permit teachers at public schools and non-religious private schools to receive grants for participating in the mandatory program, while barring teachers at religious private schools from receiving the same grants. Based on *Trinity Lutheran*, *Espinoza*, and *Carson*, the Blaine Amendment cannot be enforced in any situation where doing so would disadvantage a sectarian school as compared to a non-religious private school simply because of the school's sectarian nature. As a result, it is my opinion the United States Supreme Court has barred the state from enforcing its Blaine Amendment.

Based on binding United States Supreme Court caselaw, it is my opinion the Blaine Amendment unconstitutionally disadvantages sectarian schools. As a result, it is my opinion that teachers at all schools, including both non-religious and sectarian private schools, may participate in the Teacher Support Program as mentors, and may receive grants to support their participation.

Regards,

Drew H. Wrigley
Attorney General

This opinion is issued pursuant to N.D.C.C. § 54-12-01. It governs the actions of public officials until such time as the question presented is decided by the courts.[18]

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interests." (citing *Church of the Lukumi Babalu Aye, Inc. v. City of Hialeah*, 508 U.S. 520, 546 (1993)))

[14] *Espinoza v. Mont. Dep't of Revenue,* 140 S.Ct. 2246, 2260 (2020).

[15] *Id.* at 2261.

[16] 142 S.Ct. 1987 (2022).

[17] Id. at 2002.

[18] *See State ex rel. Johnson v. Baker*, 21 N.W.2d 355 (N.D. 1946).

Senate Education Committee
March 17th, 2025 HB 1540
Testimony in Opposition

Dear Chair Beard and the members of the Senate Education Committee,

I urge a “Do Not Pass” on HB 1540.

I’m not sure I’m able to add anything meaningful that isn’t covered by dozens of individuals with more knowledge, stake, and importance than me. So, I will just offer that I am another person who believes strongly in public education as the bedrock of our society.

Public schools are not just about education, they’re about community. They tie and connect us together in meaningful ways, they provide jobs, and give all kids the best possible opportunity to succeed. For better or worse, we all remember our high school mascot. We remember the area and time when we grew up. And the institutes of learning we attend teach us so much about ourselves and the world beyond just books and tests.

And everything we do to splinter public education, does damage to the foundation of our communities, further divides us as people, and puts the future of our kids in jeopardy.

Please vote “Do Not Pass.”

Thank you for your time, consideration, and service to our state.
Faye Seidler - fayeseidler@gmail.com

I am here today to advocate for the funding of our public schools in North Dakota. Our state is home to some of the best-performing schools in the nation, and yet, to be completely honest, we find ourselves under significant pressure this session.

A History of Funding Shortfalls

In 2013, the legislature passed a new school funding formula, tying property tax relief to education funding. At the time, discussions at 3 AM acknowledged that in order to sustain quality education, per-pupil funding would need to keep pace with inflation—at a minimum of 3% annually.

Yet, here is how the reality has unfolded over the past 12 years:

- The **average annual per-pupil increase** has been just **1.85%**, including one anomaly (a 4%/4% increase), with some years seeing **0% increases**.
- **Teacher pay increases** have averaged only **1.68% per year**—significantly lower than state employees and higher education staff.
- **Consumer Price Index (CPI) increases** have been **6.5% over the same period**.
- **Transportation support** for schools has **declined** from **44% to 31.8%** in the past decade.
- **Food costs have risen 31.5%**.
- **Gas prices have increased 45.7%**.

Despite these rising costs, we convene task forces to investigate why we are struggling with teacher recruitment and retention. The answer is clear: Teaching is one of the most demanding yet **underpaid** professions. Meanwhile, when public schools request essential funding, the conversation turns to performance concerns—yet we continue to **excel despite these financial constraints**.

The Current Proposal Falls Short

- We are now debating **a 2% / 2% increase**, which fails to meet inflationary needs.
- **Special Education (SPED) remains severely underfunded**, covering only approximately **35%** of actual costs.
- **English Learner (EL) funding legislation has died**, leaving students without adequate support.

At the same time, **hundreds of millions of dollars** are being proposed for **ESA and voucher programs**, which divert public funds away from the **93% of North Dakota students** who attend **public schools**—the only institutions that our **state constitution mandates funding for**.

North Dakota Schools Are Among the Best—Why Undermine Success?

North Dakota ranks **#2 in the nation in math achievement** for grades 4 and 8. And are among the top 15% in reading skills.
Our schools are **leading in innovation, adaptability, and student outcomes**.
And yet, **some hesitate to acknowledge that our investments in public education are working**.

The national narrative may suggest failing schools—but here in North Dakota, that **is not our reality**. If we shift course now, the consequences may be felt for generations.

Invest in Public Schools—Invest in North Dakota's Future

- **Choice already exists in North Dakota.**
- **Funding choice is not required.**
- **What's at stake is the choice to uphold our commitment to public education.**

I urge you to **choose NO** on policies that undermine our schools. Instead, choose to **invest in our students, teachers, and future workforce**.

Thank you for your time and consideration.

Great Public Schools *Great Public Service*

Testimony Before the Senate Education Committee
HB 1540
March 17, 2025

Good afternoon, Chairman Beard, and members of the Committee. For the record, my name is Nick Archuleta, and I am the president of North Dakota United. North Dakota United is a union of 11,000 professionals, including K-12 teachers, dedicated to public service. On behalf of our members, I rise today in opposition to HB 1540 and urge a ***do not pass*** recommendation for this bill.

Chairman Beard, North Dakotans have long valued the principle of a high-quality public school system. In fact, our founders so valued that principle that they embedded it 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.*"

I cite these Constitutional touchstones not as commentary on the constitutionality of HB 1540, though the issue has not been argued before a North Dakota court, nor has the

Legislature passed a Constitutional measure to put the issue before the citizens of ND. Rather, I do so to merely emphasize that the framers of the North Dakota state Constitution felt strongly that our state should not be in the business of funding private or parochial education.

Members of the Committee, North Dakota United has a long history of opposing proposals that divert money raised for public education and other public purposes to non-public educational entities. Unfortunately, HB 1540 is yet another such proposal.

Vouchers come in many forms, often hiding behind euphemisms such as, "Opportunity Scholarships," "Tax Credit Scholarships," "Education Reimbursement Programs," "Tuition Tax Credits," "Education Empowerment Programs," and, in this case, "Education Savings Accounts." Regardless of the euphemistic titles, they all have the same effect of diverting public funds, intended for public schools and other public purposes, to private schools, private entities, or those educating their children at home.

Chairman Beard 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. This is a responsibility unique to public schools and we embrace it wholeheartedly because we agree with the principles enshrined in the North Dakota State Constitution.

Private schools 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 or avail themselves of their services. They can discriminate against any student for any reason. An example of this is that most private schools do not accept students based on ability because the financial costs of educating students with cognitive and physical impairments can be quite high. As a result, and with immense pride, public schools almost exclusively educate these students, and we are honored to do so.

Additionally, Mr. Chairman, HB 1540 does not provide equal opportunity to all North Dakotans. Should HB 1540 become law, it would primarily apply only to those families in large cities where private and parochial schools exist. Taxpayers and their families in rural

North Dakota, and those in our smaller communities, would receive no practical benefit from the passage of this bill.

I want to clarify something if I may, Mr. Chairman. NDU has always maintained the belief that parents should absolutely choose where they want to send their kids to be educated. But we also believe, just like the framers of the North Dakota state Constitution believed, that the choice to educate one's children in a private or parochial school, should not be subsidized by the taxpayers of North Dakota.

Finally, I want to leave you with these points to consider:

- **Vouchers like this ESA mostly fund children already in private school.** Despite supporter rhetoric that voucher schemes are about new opportunities, the reality is 70-80 percent of kids in states like Arizona, Wisconsin, and Indiana, were already in private school before taxpayers picked up the tab. In New Hampshire, nine out of ten were already-private school kids.
- **This is the proverbial "camel's nose under the tent."** In Arizona, what started as a small voucher program has grown to consume one fifth of the Arizona school budget. https://www.propublica.org/article/arizona-school-vouchers-budget-meltdown. https://azmirror.com/2024/06/06/it-costs-arizona-332m-to-pay-for-vouchers-subsidizing-private-school-tuition-homeschooling/
- **There is limited accountability called for in HB 1540.** In contrast, North Dakota's public schools, governed by locally elected school boards, must account for every dime they receive from the taxpayers of North Dakota.
- **Private and parochial schools routinely discriminate against students they do not want to educate.** Should HB 1540 become law, private and parochial schools will use public money to choose only the students they want to educate and turn away students they do not want to attend their schools.
- **The vast majority of North Dakota's small and medium sized communities will get no benefit from HB 1540.** What they will see is their tax dollars going to our larger communities to educate children, the vast majority of whom are already enrolled in private and parochial schools.

For these reasons, Chairman Beard, and members of the Committee, I strongly and respectfully urge a ***do not pass*** recommendation for HB 1540. With that, I will conclude my testimony and stand for questions you may have.

NORTH DAKOTA Family Alliance LEGISLATIVE ACTION

Faith · Family · Freedom

Testimony in Support of House Bill 1540

Marit Heidbreder
North Dakota Family Alliance Legislative Action
March 17, 2025

Good afternoon, Chairman Beard and honorable members of the Senate Education Committee,

North Dakota Family Alliance Legislative Action would like to testify in support of House Bill 1540 and respectfully requests that you render a DO PASS on this bill.

Educational options are in high demand nationwide as parents seek out the best opportunities for their children. There are now 34 states and territories that currently offer some type of school choice program[1], and we would love for North Dakota to join those ranks. Educational Savings Accounts (ESAs) and similar programs are some of the most popular types of school choice options because they offer families more educational flexibility through state financial support.

This bill would provide a state grant to families who choose not to enroll their students in public school or utilize home education. The funding could be used towards an array of qualified educational expenses. We are pleased this provides a financial benefit to families who utilize options outside the public school system if desired.

We strongly support this type of program in North Dakota, because it gives families more options as they consider the best educational fit for their children and specific circumstances. In addition, a school choice option such as this allows families to consider more educational choices than may have been possible on their own income alone.

For these reasons, North Dakota Family Alliance Legislative Action respectfully requests that you vote House Bill 1540 out of committee with a DO PASS recommendation.

[1] https://excelinedinaction.org/2025/01/07/the-rise-of-eas-continues-10-states-take-action-on-school-choice-in-2024

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Thank you for the opportunity to provide this testimony, I appreciate your consideration and I'm happy to stand for any questions.

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As a proud parent of a student at a private education school, I strongly support House Bill 1540 and Senate Bill 2400. These bills empower North Dakota families with educational savings accounts (ESAs), enabling us to choose the learning environments that best serve our children. For my family, a private education school has been that environment—a place that raises the bar for individual student success and, in turn, strengthens our state.

The smaller size and high standards of a private education school create a supportive setting where students thrive. Unlike larger districts like Fargo or West Fargo, a private education school offers personalized attention that meets my child's unique needs. The teachers know my student not as a number, but as an individual with distinct strengths and aspirations. This tailored approach has allowed my child to excel academically, grow in confidence, and develop skills that will serve them—and North Dakota—well into the future.

The rich history and commitment to excellence at a private education school also set it apart. It encourages students to participate in a wide range of activities, from academics to athletics to the arts. This holistic preparation ensures our graduates are versatile, resilient, and ready to contribute to our state's workforce and communities. I've seen firsthand how this environment fosters leadership and character—qualities that make North Dakota stronger.

ESAs would make this transformative education accessible to more families. These bills remove financial barriers while preserving parental choice. Importantly, this "new money" supports private education schools without detracting from public school funding—a win-win for our state.

North Dakota thrives when all students have the opportunity to reach their potential. The ability of a private education school to raise the bar for individual learners proves that private schools play a vital role in that mission. I urge the Legislature to pass HB 1540 and SB 2400, giving families the tools to choose the best education for their children. Together, we can build a stronger, more vibrant North Dakota—one student at a time.
Thank you for your consideration.

Byron Snider

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Senate Education Committee
Senate Bill 1540 – March 17, 2025
Testimony of Brenda Ruehl, P&A Director of Program Services

Greetings Chairman Beard and members of the Education Committee. My name is Brenda Ruehl and I'm a Director of Program Services at the North Dakota Protection and Advocacy Project (P&A). P&A is an independent state agency established in 1977 to assert and advance the human, civil, and legal rights of people with disabilities. The agency's programs and services seek to make positive changes for people with disabilities where we live, learn, work and play.

P&A strongly opposes Senate Bill 1540 for the following reasons.

The intent of the Education Savings Account bill will weaken North Dakota's education system. Parents already have choice in education through open enrollment, home schooling, non-tuition agreements and private schools including faith-based schools.

This bill allows for an "Education Service Provider" individual or organization to operate an education business that is not required to follow the laws that a public school must follow. It does not meet the minimum requirements for instruction, units of instruction, or minimum units for high school graduation. It also does not require the Administrator to adhere to multiple other requirements in the NDCC including but not limited to, financial accountability; free, open, and accessible at all times to any child; interventions for chronically low performing school districts; and length of a minimum number of hours of education.

Under the Individuals with Disabilities Education Act [Pub. L. 108 - 446; 20 U.S.C. 1412(a)(10)(A)], education savings account program qualifies as a parental placement of the parent's child with a disability, there is no language in the bill protecting a child with a disability, who is entitled to a Free Appropriate Public Education. This bill is absent of the requirements for an IEP, related services, modified curriculums including special education transportation. There is not any language regarding compliance with Section 504 of the Rehabilitation, which also protects students with disabilities. Private schools make the choice of whether to serve students with disabilities or not.

This bill broadens what services can be paid for with the Education Savings Account, which public schools are not allowed to pay for or are free. Such services included in this bill are textbooks and private tutoring. It removes governmental control, authority, and accountability yet it takes educational funding from the public schools to subsidize private schools and education service provides.

P&A strongly opposes this bill as it weakens North Dakota's public education system by taking funds from public schools and giving those dollars to an entity that does not have to follow the rules, regulations, or laws set forth in the NDDC regarding the education of children. If this bill passes, at the very least, private schools and education service providers should be required to follow the same rules, regulations, and requirements that public schools do. This would include the education of students with disabilities as set forth under IDEA (Individuals with Disabilities Education Act), Section 504 of the Rehabilitation Act, and the ADA (Americans with Disabilities Act).

P&A respectfully request a Do Not Pass on this bill as it undermines the education of children in North Dakota

Thank you for your time and consideration.

Brenda Ruehl
Director Program Services
bruehl@nd.gov

Senate Education Committee
HB 1540
March 16, 2025

Chair Beard, Vice Chair Lemm, and members of the Committee,

I'm writing to you as a taxpayer, proud mother of two public school students, and an active community member. **I strongly urge you to oppose HB 1540.** North Dakotans have consistently rejected voucher programs, recognizing that no matter what they are called, they all have the same effect: diverting public funds to subsidize private schools.

Voucher programs lack accountability, are not fiscally responsible, and create massive, unsustainable costs for states that implement them. The estimated $40 million price tag of HB 1540 is a tremendous waste of taxpayer funds, especially when our public schools—serving the vast majority of North Dakota's students—continue to need resources and support. These programs do not save taxpayer money; instead, they have led to multi-million dollar deficits and tax increases elsewhere.

In North Dakota, these programs overwhelmingly benefit our largest cities, leaving rural communities without the same options while still footing the bill. Public education is a cornerstone of our democracy and a promise to every child, regardless of zip code. Instead of sending taxpayer dollars to private institutions with little oversight, we should focus on strengthening our public schools, which serve all students and are accountable to the public.

Please stand with North Dakotans and vote NO on HB 1540.

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HB 1540
Testimony of Amy De Kok
Senate Education Committee
March 17, 2025

Chairman Beard and members of the Senate Education Committee, my name is Amy De Kok, and I am the Executive Director for the North Dakota School Boards Association (NDSBA). NDSBA represents all 168 public school districts and their governing boards. I am here on behalf of our members to express strong opposition to HB 1540, which proposes the creation of an Education Savings Account (ESA) voucher program. While the bill has been amended to remove benefits for home education students and reduce the voucher amount from 80% to 40% of the average per-pupil state funding, the fundamental concerns remain the same. This bill still diverts public funds to private schools without the accountability and transparency measures that public schools must adhere to.

North Dakotans Consistently Oppose Vouchers

North Dakota voters and policymakers have consistently opposed voucher programs, regardless of how they are framed—whether called "education savings accounts," "scholarships," or "school choice opportunities." These programs all share the same effect: they use public funds to subsidize private education, rather than strengthening public schools that serve all students.

Private School Vouchers Do Not Offer Real Choice

Proponents of HB 1540 argue that it expands "school choice," but private school voucher programs do not actually provide families with real educational choice. North Dakota parents already have the ability to send their children to private schools if they choose to do so. However, private schools in North Dakota have the choice of which students they accept. Unlike public schools, which are legally required to serve all students, private schools can and do reject students for a variety of reasons—including disabilities, special education needs, English proficiency, or socioeconomic status.

Even with a voucher, most North Dakota parents still cannot afford the full cost of private school tuition, which often exceeds the amount covered by an ESA. Families who struggle to pay for transportation, uniforms, extracurricular fees, and other required costs will still be unable to access

private education, making this program a subsidy for families who can already afford private school rather than an expansion of true educational opportunities.

Public Dollars Should Fund Public Schools

Our state's responsibility is to ensure that public dollars support public education—schools that must serve all students, regardless of ability, background, or financial status. Unlike public schools, private schools that receive voucher funds are not required to accept all students. This bill provides public funding to private institutions that are not bound by the same obligation to provide an equitable education for all children.

Vouchers Drain Critical Resources from Public Schools

HB 1540 proposes that 40% of the state per-student funding follows students into private schools. This still represents a substantial reduction in funding for public schools, which must continue to educate the vast majority of students (currently 93% of the state's K-12 students), including those who return after an unsuccessful private school experience. This loss of funding will directly impact the quality of education provided in public schools, particularly in rural areas where alternative schooling options are scarce.

Voucher programs do not simply shift funds that would have been spent on public school students. In other states with voucher programs, the majority of participants were already attending private schools, meaning that public dollars are subsidizing families who were already covering these costs. Instead of expanding access to education, this bill would prioritize private school tuition reimbursements over investments in public education.

Vouchers Do Not Improve Student Achievement

Repeated studies of voucher programs across the country show that vouchers do not result in better test scores for students, and, in many cases, have led to declines in academic achievement.

- In Washington, D.C., students who had been offered a voucher to attend a private school scored lower in both math and reading in comparison to their peers who stayed in public school.
- A Louisiana voucher study found that, on average, participating voucher students' performance in both reading and math dropped for three consecutive years. The declines were significant—the average math student at the 50th percentile dropped to the 34th percentile after three years in the program.
- In Ohio, researchers found large negative effects in both mathematics and reading for students using vouchers compared to public school students. The academic losses among

voucher students were far greater than any gains experienced by students remaining in public schools.

- In Indiana, researchers found that students who used vouchers to switch from public to private schools were more likely to score lower in math, with no significant improvement in reading scores.

These findings are consistent across multiple states and demonstrate that voucher programs fail to deliver on their promise of improved academic outcomes. Instead, they put students at risk of lower achievement while diverting essential resources from public schools.

Lack of Accountability and Oversight

Public schools in North Dakota operate under strict accountability measures. They must follow state-approved curricula, administer standardized assessments, and publicly report student achievement data. In contrast, HB 1540 provides ESA funds to private schools and education service providers that are not subject to these requirements.

There is no mechanism to ensure that students receiving state-funded private education meet minimum academic benchmarks. The bill contains only minimal financial oversight, relying on "random audits" but failing to mandate comprehensive, independent financial reviews. In states with similar programs, ESA funds have been misused for non-educational expenses, including vacations, luxury purchases, and even fraudulent schemes. This bill does not include sufficient safeguards to prevent waste and abuse of taxpayer dollars.

Additionally, HB 1540 does not include a cap on tuition increases for schools that accept students utilizing the program. This creates the risk that private schools will raise tuition to match or exceed the voucher amount, making private education even more expensive and further limiting access for lower-income families. This pattern has been observed in other states with voucher programs, where private school tuition increased at a much higher rate than inflation, ultimately benefiting private institutions more than students and families. Without a tuition cap, the program could quickly become a blank check for private schools while still leaving many families unable to afford the full cost of attendance.

Vouchers Benefit Urban Areas at the Expense of Rural Communities

North Dakota's rural communities will see little to no benefit from this program. Private schools are largely concentrated in urban areas, meaning that rural families are unlikely to have access to the same voucher-funded options. However, all taxpayers—including those in rural areas—will still be required to fund this program. Public schools, which serve as the backbone of rural communities, will bear the financial burden of this policy without any corresponding benefit to their students.

A Costly, Unsustainable Policy

While HB 1540 reduces the per-student allocation compared to the previous version, it still represents a significant financial burden on the state. The bill appropriates $40 million for the biennium to fund the ESA program, a number that will likely grow as enrollment increases over time. Other states with similar programs have seen costs spiral out of control, forcing cuts to public education budgets to sustain unsustainable voucher expenditures.

North Dakota Public Schools are NOT Failing

Despite national rhetoric about failing public schools, this is not the case for North Dakota's public schools. The 2024 National Assessment of Educational Progress (NAEP) results confirm that our students rank among the top performers in the nation—a direct result of strong public schools, dedicated educators, and legislative investment.

Mathematics Excellence:

- 8th Grade: #2 in the Nation
- 4th Grade: #3 in the Nation

Reading Success:

- 8th Grade: #12 in the Nation
- 4th Grade: #7 in the Nation

North Dakota students also compete globally. Our 8th-grade math scores rank in the top 10 worldwide, outperforming countries like Canada and Germany. Our 4th-grade math and reading scores rival the best education systems internationally. This success doesn't happen by chance—it happens because of public investment in public schools. Rather than diverting funds to private school vouchers, we must continue strengthening the system that is already delivering outstanding results for North Dakota's students.

Conclusion

HB 1540 does not provide a responsible or equitable solution for improving education in North Dakota. Instead, it diverts public funds away from public schools—institutions that are required to serve all students—while subsidizing private education with inadequate oversight. Additionally, national research consistently demonstrates that voucher programs do not improve student achievement and, in many cases, lead to worse academic outcomes.

Furthermore, this bill does not create meaningful school choice for families. North Dakota parents already have the right to send their children to private schools, but private schools maintain the right to reject students, leaving many families without a viable private school option—even if they receive a

voucher. Without a cap on tuition increases, this program could make private education even less accessible to the families who need the most support.

This committee should reject HB 1540 in favor of policies that prioritize strengthening public schools, ensuring they have the resources needed to serve all North Dakota students effectively.

I urge you to issue a DO NOT PASS recommendation on HB 1540. Thank you for your time and consideration. I am happy to answer any questions.

Honorable Committee Members

As a mother to two children in public school and as current special education teacher I strongly oppose HB 1540. I don't want my tax dollars or public funding to go to private entities that do not have tell us how they used the money while taking away from already needed funds from our public schools.

Currently, public school education has been granted only a 2% increase in funding from the state. With the possibility of losing a significant portion of federal funding also. More students attend public school than private. Please do not take away the funding that is so desperately needed.

Public schools provide equitable quality education for all. Private schools often can choose who comes in and out of their education system. Taking away money from public schools will put a strain on the already strained system and harm our North Dakota public school students, my children included.

As our legislature has voted no on Universal School Lunches due to inefficiency of cost, I believe that HB 1540 is also inefficient and does not benefit most.

I urge you to vote against House Bill 1540. As our voice, please lift up public policies that support and invest in and improve our public schools. Our students, their families, and their communities and North Dakota deserve a strong and well-funded public education system that benefits all, not just a select few.

Thank you for your time and consideration.

Sincerely,

Jessica Van Winkle

Testimony of Nick Lee
Principal, St. Catherine School, Valley City

Chairperson and members of the committee, thank you for the opportunity to speak with you today. My name is Nick Lee, and I am the principal of St. Catherine School in Valley City. I am here today to share how our school serves a diverse range of students and why preserving school choice is essential for families seeking the best educational fit for their children.

At St. Catherine, we provide a learning environment that meets the needs of students with vastly different academic abilities and challenges—even within the same family. One of the families we serve has three children, each requiring a unique approach to learning. The first child, who in a public school setting would be placed in a resource room, benefits from a specialized curriculum in both reading and math. He also has behavioral needs, and through our partnership with the local special education unit, we are able to provide the majority of his services while receiving crucial oversight and support through Equitable Services. The second child struggles with reading and receives targeted, pull-out tiered intervention. Meanwhile, their third sibling is excelling academically and is challenged with instruction above grade level.

This is the reality of our school—we serve students of all abilities, backgrounds, and learning needs, ensuring each child receives the education they deserve.

I'd also like to share the story of another family who drives **34 miles one way** each day, across county lines, to send their children to St. Catherine. Their commitment reflects the reality that for many families, the best educational option for their children may not be available in their immediate community. Without school choice, parents in rural areas, where private school options may be limited or nonexistent, would have no alternatives beyond the local public school—regardless of whether it meets their needs.

Both of these families receive help—either from a family member or from our school tuition assistance fund—to make their children's education at St. Catherine possible. Our actual cost of education is over $12,000 per pupil. Our actual tuition, however, is significantly lower—$3,329 for a non-parish child and $2,219 for a parish child, with additional discounts for families with multiple children. We work extremely hard to keep things affordable. And yet, the only reason I have ever turned a family away as principal is because of money—whether a real financial limitation or the perception that they could not afford it.

No one would bat an eye if every student currently attending St. Catherine decided to leave next year to attend public school. In that case, each of them would be fully funded at the per-pupil rate according to the state's aid formula. Why, then, is it controversial to suggest that these same children and their taxpaying parents should have at least a portion of that aid follow them to the school of their choice?

Furthermore, all students in our state—regardless of where they live—deserve access to the best educational options available. Students in cities like Fargo, Grand Forks, Minot, Bismarck, and Williston deserve the right to choose, just as students in rural communities such as Rugby,

Valley City, Langdon, and Belcourt benefit from private school options. The availability of school choice should not be dictated by geography.

Creating a reality where parents can seek the best possible education for their children—without the burden of financial hurdles—is not just a policy issue, it is the right thing to do. No family should be forced to make an educational decision based solely on financial limitations, especially when they are taxpayers contributing to the education system.

Are there solutions that would provide a nonpublic school option in every county in our state? I don't know. But what I do know is that there is a far greater likelihood of parental choice being exercised when there is choice to be had. Restricting or limiting access to school choice in some areas does not improve education—it simply eliminates opportunity for those who have it.

Every child deserves access to an education that fits their unique needs, and every parent deserves the ability to make that choice. Thank you for your time, and I welcome any questions you may have.

Members of the Committee,

As young professionals, my husband and I do not yet have kids, but we support public schools because public education helps us all. I urge a DO NOT PASS recommendation on HB1540, because it would allocate public dollars toward private schools- which don't receive the same accountability and oversights as public schools. Additionally, accurately tracking the "educational outcomes" from the other qualified expenses does not seem feasible. Further, the bureaucracy and administrative costs of this proposed program seem fiscally irresponsible.

Of course we should have programs that help working families, and and there are plenty of chances to do that- from support for public schools, community programs open to all, and providing healthy meals to all students. Please do not spend millions of dollars on an ESA program. Most North Dakotans do not want public dollars going private schools. Many examples from other voucher-style programs show these programs help primarily folks already paying for private schools rather than lifting up the educational opportunities for more students. Thank you for your consideration.

Sincerely,
Olivia Schloegel
Jamestown, ND

3/17/2025

Members of the Senate Education Committee,

I write to you today in favor of HB 1540. My family and I recently moved with our children from Wisconsin to attend Grace Lutheran School in Fargo and participate in the work of the Red River Lutheran School Association.

While living in Wisconsin four of our children were able to attend Private School as part of that state's school of choice program. This would have been financially impossible for us had the choice program not existed.

When coming here, it was rather strange to hear the political dialogue surrounding school of choice in North Dakota. In a place that trumpets family-friendly values, the opposition to this legislation is disheartening.

I desire to help working-class families have the opportunity to make a choice to send their children to private or public schools. This funding bill would enable many families to consider this as a viable option for their educational needs. Furthermore, allow me to suggest that healthy competition helps improve all our systems. A diversity of options is something to embrace, not fear.

This is not a matter of a religious education versus a public one. At Grace Lutheran School, we fulfill all the requirements of our accreditation and fulfill our obligations according to the North Dakota State Constitution.

We train our children to be civically engaged, academically rigorous, culturally aware, and frankly, lovers of our city/state/country. We find that the religious dimension of our curriculum simply supports that work. Martin Luther's Table of Duties, for example, was composed as an educational tool to guide pupils toward being good neighbors, honest workers, decent employers, devoted friends, and the like.

Upon fulfilling their education, we have seen how students from our School become responsible citizens who live and work for the public good.

Please help us continue this important task. Vote yes to HB 1540.

Rev. Scott Johnson
Parent and School Board Member
Grace Lutheran School of Fargo
Red River Lutheran School Association.

Associate Pastor
Immanuel Lutheran Church of Fargo

I keep hearing that private schools/families should not receive money from the state because “only the wealthy send their kids there”. Well, we switched our children to private schools three years ago, and we are definitely NOT wealthy. We apply for financial assistance and make sacrifices in our daily lives to be able to send our kids to the school of our choice. Another reason that we hear about why private schools shouldn’t use state money is because they don’t provide special education services. One of our children struggles with academics and motor control, and while not being labeled with a disability, the school has bent over backwards to provide the services that our child needs, and because of their support and interventions, our child is now thriving and making huge gains.

Private schooling is not always about getting a ‘different’ education, but it is about the culture that we want our kids surrounded by. We value the religious aspect of their daily life. We actually send our kids to a Catholic school system, when we are not even Catholic. Why? Because it was the best setting for our three kids. We went on tours of different schools in the area and landed on this one because it ‘felt right’. Why should we, as parents, have to pay more in order to want the best for our children? Why should we, as parents, have to sacrifice many things in our lives, in order for our children to get the education and upbringing that we think they should have? As a public school employee for the past 21 years, and going through public school myself, I have nothing against public schools, but not all children learn the same, and not all children fit the same mold. Our children just happen to learn better in a smaller setting with a religious base to model their learning off of.

These bills that are going through the state are about personal choice, and allowing more options for parents to decide what is best for their particular family. I fully support school choice in North Dakota through HB 1540 and SB 2400 because in a country where we value independence and free thinking, shouldn’t we be able to choose the school that best fits our children’s needs?

Maren Wright

Fargo, ND

My name is Jessica Rogstad and I am writing in opposition to House Bill 1540.

I am a parent of three girls who attend public school in Fargo. No matter what these types of bills are called-education savings accounts, scholarship programs, etc-if they divert public dollars to private schools, they are vouchers. North Dakotans have consistently opposed voucher programs. Public funds should be for public schools where they can serve all students no matter their abilities, backgrounds, of financial status. Vouchers hurt the most vulnerable students in our communities and also do not benefit our many rural communities who don't have private school options.

Thank you for the opportunity to share my testimony.

Dear Chairman Heinert and Committee,

My name is Samantha Bryans. I live in District #38, and I am a parent who has chosen to send my children to Bishop Ryan Catholic School. I support HB1540 because it will positively impact our family by easing the financial burden of a private school education. A private school education was an easy decision for our family; we have chosen to lead our family in the Catholic faith, ground our parenting in virtue, and be prudent in our decisions that will help get our children to Heaven, help to make them virtuous leaders, and help to cultivate adults who are contributing members of society.

In 2016, my husband and I were considering options for pre-school for our oldest son. Bishop Ryan offered a full, five-day pre-school option that was unavailable anywhere else. Three months after enrolling, our son was diagnosed with Pediatric Autoimmune Neuropsychiatric Disorder Associated with Strep. We spent the next 18 months doctoring between Minot, Mayo, and Washington D.C. He was required to be on three different medications three times a day and to do blood work every three weeks. The principal at Bishop Ryan Catholic School offered up her office as a place for him to rest, his classmates' parents jumped in to help with whatever was needed, and when our second son came eight weeks early, the school provided support while we were stretched thin between doctoring for our oldest son and time spent in the NICU. We had several priests and staff members praying for and with our family, offering an anointing of the sick, and providing spiritual support that we would not have received had we enrolled him in a public school. Between an active and open Catholic faith, small class sizes, and an education grounded in virtue, the private school education has inculcated a desire to grow in Christ simultaneously with education.

As an educator myself, I support both public and private school education. However, it is constitutional to provide both the choice and appropriations granted by the state legislator. Please help us to ease the financial burden so that families like ours can provide the best learning environment for our children and their specific needs. I urge you to vote in favor of HB1540.

Thank you for your service to the state of North Dakota and for your time on HB1540.

Sincerely,

Samantha and Ryan Bryans

Kidder County Public School District#1

High School Principal
Michael Wachter
Elementary Principal
Ryan Larson
Business Manager
Sonya Larson
Secretary
Darci Mittleider

RICHARD DIEGEL, Superintendent

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Shawn Nix, Vice President
Jeff Schmidt, Director
Kip Haadem, Director
Jason Braun, Director
Hoyt Wagner, Director
Paula Moch, Director

Oppositional Testimony on House Bill 1540

My name is Rick Diegel and I am the superintendent of schools at the Kidder County School District in Steele, North Dakota. This testimony is to voice my strong opposition to House Bill 2400, which provides 50% of the foundation aide payment to private school students.

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

This is my 38th year in education and my 25th year as a school superintendent, with all 38 years in what is considered a small, class B school district. During this time, I have seen public schools are the backbone of our communities, particularly in rural areas where we don't have private school options nearby. House Bill 1540 would take funds away from our public schools to support private education, but the majority of families in Kidder County won't even have access to these alternatives.

House Bill 1540 would provide over $5700 to each student that attends a private school. However, there is no accountability that is associated with this government subsidy. There are no open records, no open meetings, no public audits, they only accept students that fit their definition of a "good student". In my public school, we have open records, open meetings, publicly available audits and we accept all students, regardless of income level, special education status, poverty level or other challenges.

This fiscal note for HB 1540 is $43 million, and Light of Christ in Bismarck alone will get over $7.5 million from the state. Compare that to Kidder County School receiving $3.2 million, Napoleon School receiving $2.7 million and Linton School receiving $2.5 million. Light of Christ will receive nearly as much as all three of these school combined!

Not one time in my career has a patron told me that private school students should receive a payment from the government to help cover their tuition. However, I have had more patrons that I can count tell me that their property taxes are too high. And with that said, here we are considering spending $43 million on private school students' tuition, while not providing any property tax relief to Ag land and our farmers.

Someone is going to have to explain to me how we can consider providing $43 million to private school students and not property tax relief to our farmers, because that simply doesn't make sense to me.

Please do the right thing and vote no on HB 1540. Thank you and I will stand for any questions.

HB 1540
Senate Education
Wednesday, February 12, 2025
Senator Todd Beard, Chair

Chairman Beard and Members of the Senate Education Committee:

My name is Roxane Romanick and I serve as a representative for Designer Genes of ND, Inc., Designer Genes represents individuals with Down syndrome and their families across the state. Designer Genes' mission is to strengthen opportunities for individuals with Down syndrome and those who support them to earn, learn, and belong.

Down syndrome or Trisomy 21 is highly correlated with learning challenges and need to educational supports to learn and grow. We project that the vast majority, if not all children, youth, and young adults with Down syndrome will be covered by the guarantees of the Individuals with Disabilities Education Act (IDEA) and are served under Individual Education Plans (IEP's) which affords special education services. The provisions of a free and appropriate public education (FAPE) and learning in a least restrictive environment (LRE) with specially designed approaches to learning and targeted adaptations mean that students with Down syndrome have learning opportunities available to them that weren't always historically available to them in the past. As an organization, who is sharply focused on students with Down syndrome, we are in a position of evaluating new initiatives with a lens of protection for students with special education needs and their families.

It is because of this focus that Designer Genes does not support HB 1540. For parents of students with Down syndrome, they will need to relinquish or waive their rights to the protections and services under IDEA as the eligible schools are not required to follow laws, such as IDEA, as noted on Page 6 – 7, lines 19 – 29 and lines 1 – 3. In fact, the bill contains language to help make this clear to parents as they have to sign an agreement with the Department in order to access the funding and reads on Page 2, lines 26 – 30: "If the participating student is a child with a disability, to acknowledge the parent has received information from the department and understands participation in the education savings account program qualifies as a parental placement of the parent's child under the Individuals with Disabilities

Education Act [Pub. L. 108 - 446; 20 U.S.C. 1412(a)(10)(A)]". In clear disclosure, if this bill passes, we do appreciate the bill sponsors inclusion of this protective language so that families are clear about what will happen if they choose to accept the grant funding and want to assure that this is not amended out of the bill.

Participating schools under this bill may be willing to admit a student with Down syndrome, but generally speaking, our experiences have been that most parents find that schools without additional funding and a broad array of related services are not able to adequately educate their child with Down syndrome. At this time, our agency only knows of one student with Down syndrome being educated in a non-public school in North Dakota. Yes, there is a requirement that non-public schools work with a local education agency or a special education unit to provide some related services, but the offering is not robust enough for the majority of students with Down syndrome, who may require instructional aide assistance, general education accommodations and modifications, and one-on-one skill training in core academics.

We fully understand that we represent a very small percentage of the student population, but we do believe that we represent students who have some of our most significant needs in North Dakota and who serve as a reminder about all students with special education needs. Our students learn from educational systems that have solid general education structures and robust special education features such as is possible in our public schools. We do not believe that HB 1540 adds value to those needs and we ask you consider a Do Not Pass.

Thank you for your time and I would answer any questions.

Roxane Romanick
Executive Director
Designer Genes of ND, Inc.
701-391-7421
info@designergenesnd.com

To whom it may concern:

I am writing to urge you to oppose Representative Koppelman's HB 1540. North Dakota must hear the concerns parents and teachers have with these voucher schemes. The state of public education need repair, but the answer is NOT to starve public schools of crucial funding. Public schools serve all students regardless of ability, background, or financial status. Public schools employ nearly 10,000 qualified teachers. Private schools are not held to the same transparency, accountability, or accessibility standards as our public schools. Please, stand with *all* North Dakotans and issue a DO NOT PASS on HB 1540.

Jenna Akers

Mom

Teacher

Vote No: HB 1540

I am sharing my testimony to express my strong opposition to all forms of voucher bills – education savings accounts, scholarships, tax credits. Funneling public money into private schools is not what North Dakota families need. Keep public dollars in public schools. Voucher schemes support private schools in large ND communities. Rural Communities would be helping foot the bill for these wealthy private schools when only 32% of ND counties have access to private schools. I do not want my tax dollars funding private already wealthy schools or homeschools.

Voucher bills do not give North Dakota families any more school choice. Parents can choose which school is best for their kids. They can choose to homeschool, they can choose the closest public school, they can open-enroll their student to a nearby public school, or they can choose a private school. School choice is already available.

Public schools that receive state money follow the state's laws and rules. Private schools do not. They can refuse to admit students especially higher needs and higher cost students. The legislature is constitution-bound to provide a public education to North Dakota students. Support our public schools that are already doing great work with tight budgets.

I am a parent and school librarian in a public school. I am proud of the education my son is receiving, but I know that my district is struggling financially. Instead of diverting money to private already wealthy schools, give more to our state public schools, so they can continue to improve.

Sincerely,

Sarah E. Lerud

To: Members of the Senate Education Committee

From: Aaron Schramm, Parent

Date: March 16, 2025

I am a parent of three children that my wife and I have raised and continue raising in northeast North Dakota. My wife and I have lived in various parts of the state from Williston to Grand Forks to rural Cass County. At each of those larger communities and areas, there were options for educating a child – public and private. In some cases, a private school may have been a better option than public school and, in some cases, public school was a better option than private school. In 2012, my wife and I made the decision to move to a rural community in Walsh County because we felt it was a great place to raise and educate our young family. We were right. Rural North Dakota has provided lots of opportunities for my kids, including a quality public education.

I am currently a resident and property owner in Walsh County, and I willingly pay taxes to maintain a good quality of life. I live in a modest home, drive used vehicles, and I don't own or have a lake place to frequent in the summer. I have had to make choices on what I make as a priority for my family. The one thing I never had to worry about was whether my kids were getting an equitable educational opportunity. HB 1540 puts that reality in jeopardy. As a rural North Dakota parent, I will never have a chance to benefit from HB 1540 as its focuses is on private school education.

If HB 1540 passes, some of my tax dollars will go to a private school in a metro area of the state as almost all private schools are located in one of those areas. Families in one of these metro areas will receive a benefit from my tax dollars that families in my part of the state will not benefit from. What compounds this reality is that these state funds will take away significant funding from public schools, where my kids go to school. This will undoubtably become an equity issue for all families in rural North Dakota.

One may argue that parents that send their children to private schools don't benefit from some of their tax dollars as well. The difference is that those parents have a choice of where to educate their child. Most of rural North Dakota does not have that choice, yet HB 1540 asks us to pay for the choices of metro area families without having the same choices. That is not equitable. I am urging you to vote no on HB 1540.

Thank you for your time and consideration of my testimony.

Aaron Schramm
Rural ND Parent

Members of the Education Committee:

My name is Nancy Farnham and I live in Enderlin, ND. I am submitting this written testimony in opposition to HB1540.

I believe that public dollars should remain with public schools for many reasons, including the fact that pubic schools are the heart of our rural communities, they need funds to recruit quality teachers as more teachers are reaching retirement age, and public school test results are showing that students are receiving a quality education in our public schools today. There are many reasons to oppose HB1540 and support public education, but I am going to focus on one issue that is very important to me in this testimony.

I believe in the value of a strong public education system that is available to all students, regardless of abilities or special needs. All children deserve a good education. Private schools are not required to provide for special needs and can select or refuse students for admission based on whatever criteria they wish. My son required speech services while he was in elementary school and he received the services he needed to succeed at our local public school. My granddaughter is currently in kindergarten and was recently diagnosed with dyslexia. She is receiving the services she needs through the public school system.

Public schools accept all students and provide the support students need to succeed in life. Private schools are not required to provide an IEP (Individualized Education Plan) or special education services. Public schools deserve our support so they can continue to provide high quality education for all students. Public tax money should continue to be used for our public education system, not for private schools that are not held to the same standards as our public system.

I ask you to oppose HB1540.

Nancy Farnham
5529 134th Ave SE
Enderlin ND 58027

March 17, 2025

Vote NO on 1540

Good morning, As a leader of a small public school district, I am asking you to vote NO on 1540 and stop the idea of supporting private school tuition with taxpayer dollars. School choice is different from ESA's and vouchers; the parents of North Dakota have had "choice" for many years and 88% of them still use public school as the means for educating their children. That's not by accident, it's because we do the best job of providing an education to every child in our community and we share that data with anyone in the state that wants to see it. Religious preference, learning disabilities, and income level of the parents have never mattered to those of us working in public education; we accept every child and work to make learning the best possible experience it can be.Public education is held to a set of standards by the state that private schools are not required to be held too and, frankly, are not interested in being held to either. In public education, we are required to hold elections for our local board members and our board meetings are required to be public meetings. Public schools are required to take state assessments and the data from those assessments is shared on a public website that is run by the Department of Public Instruction (DPI).

HB 1540, is designed as an opportunity for parents who already have their children enrolled in private education to get reimbursed by the state. HB 1540 proposes $4000/child for families with students in private schools.There is no money in 1540 for public school or homeschool families. The state cannot spend $40 million on 6% of the students in North Dakota; there is absolutely no equity in this plan and it should not be considered.

The House has already told us with their votes that feeding all children attending school is too much of a burden to the taxpayers. If that's true, then it must be an equal burden on the state to spend $40 million on 6% of the educational population of the state. Please vote NO on 1540.

Dr. Dave Wheeler
Superintendent
Manvel Public Schoo

My name is Terri Niess. I have been a North Dakota resident for the last thirty years, have married a local North Dakota man, and we have chosen to raise our five children in North Dakota. This is our home.

As a teacher, I know education is of the utmost importance. We have chosen to have our children attend of a private Catholic school in our hometown. This was never a question to us, as Catholics who wanted our faith to be the focus of our entire foundation for our children's education. But that doesn't mean it hasn't been a sacrifice. The cost of the education in a private school, especially for all our children, is a challenge. This cost has had to be second to tithing in the importance of things that we have to save for each year, and will only rise as the cost of education continues to increase.

I was a public-school teacher for nine years before moving to teach at the private school where my children attend. In doing so, I lost over $20,000 in income in addition to the benefits that the public school provided. I chose to do so because I knew that the environment of the private school was far more positive and would allow me to be able to be the healthiest, happiest, best teacher I could be for myself and my students. This school, the administration, and staff are truly a blessing for those that can attend her. This bill will provide the assistance that is necessary for others to be able to choose, whether they move schools or not.

A bill such as HB 1540 and SB 2400 would help my family, and many families in North Dakota, in a drastic way. These bills recognize that we, the parents, are the first educators of our children and the choice for where we educate is ours. This is incredibly important to us, so thank you. We appreciate that North Dakota allows us, as the parents, to choose the best education for our children to thrive in a school.

Sincerely,

Mrs. Terri Niess

Minot, ND

Dear Sir or Madam and Education committee Members,

Thank you for your time and service to our State!

My name is Marie Franks and I live in the Minot area. My husband and I moved to ND 18 years ago with our young daughter at the time. I am a retired police officer from Canada and have a master's degree in human resource administration from the University of Scranton, in PA.

My husband and I moved to ND from PA for a job opportunity at Trinity Hospital where he is an Emergency/Trauma physician. In our first visit to Minot, which was also our first visit to ND, I was tasked with touring the city to learn about the amenities and educational opportunities available to families with school age children. I can tell you that my husband and I would NOT have chosen to move to Minot, ND had there not been a Catholic School available to help us in educating our child.

Our two children have been part of the Bishop Ryan Catholic School where we have paid tuition for 18 years. In that time, our local school district gladly took our tax dollars, while our children received no educational benefit from them. There was even a time I asked them for small assistance and was originally denied the help until I pressed the situation, and suggested I would turn in all the receipts for the OT services I had paid for out of pocket that should have been their responsibility for my child with ADHD and Autism. By I digress, I believe that educational dollars should follow the child, the student who is the primary beneficiaries of the monies.

Providing school choice or educational freedom in ND assists parents with finding the right educational product for their child and it assists employers (like the healthcare industry that recruit out of state) to attract and retain candidates to our beautiful state. Potential work candidates look at many factors when relocating their families, and an important consideration is education.

Attracting new people to ND means providing more options to parents and passing this bill is a step in the right direction.

Thank you!

Dear Chairman Beard and Members of the Senate Education Committee,

I urge you to give House Bill 1540 a “Do Pass” recommendation. This bill expands educational opportunities for North Dakota families by enhancing Education Savings Accounts (ESAs), making it easier for families to afford the best education for their children.

Parents of private school students contribute to the same tax base that funds public education, yet they receive no financial support for the schools they choose. This effectively forces families to pay twice—once through taxes that fund public schools they do not use, and again in tuition for private education that better meets their children's needs. HB 1540 helps correct this inequity by allowing families to direct a portion of their tax dollars toward the education that serves their children best.

HB 1540 empowers parents by allowing them to use ESA funds for tuition, curriculum, and other educational expenses. By supporting this bill, you are promoting school choice, fostering competition, and strengthening education in North Dakota.

Education should be about opportunity, not financial limitations. Please support HB 1540 to ensure all families, regardless of where they choose to educate their children, receive fair support from the state.

Thank you for your time and consideration.

Sincerely,

Brenton Peltz

Bismarck, ND

My name is Landis Larson, President of the North Dakota AFL-CIO. The North Dakota AFL-CIO is the federation of labor unions in North Dakota, representing the interests of all working people in our state.

This session we have heard time and time again that the state doesn't have the money to provide universal school meals. If that is true, we definitely do not have the money for private school vouchers.

We've heard from legislators time and time again that they are against "paying for wealthy families' school meals" and therefore must means-test to ensure that we are only providing free meals for kids who "truly need it". Does this same logic also apply to subsidizing private school tuition?

The most glaring discrepancy though, is the most damning of this hypocrisy. All children, no matter their parents wealth or family situation, require basic nutrition to make it through the day. That is a biological fact.

It's common sense that in our society, a child's right to basic nutrition should trump a few parents' desire for the luxury of a private education. This is a "want" not a "need". That is also a biological fact.

In uncertain economic times where we are facing the real possibility of rapidly increasing food prices, looming federal cuts to important programs that help feed many working families in ND, loss of jobs and family income due to tariffs, we need to be using our state tax dollars to deal with these upcoming issues instead of helping a handful of families with a "want" instead of preparing for the very real needs of our working families.

Why is this even a debate?

We stand in solidarity with our public schools and educators and do not want to see any funding going towards private school tuition.

We recommend a "DO NOT PASS" on HB 1540.

Dear Legislators,

I am asking you to vote no on HB 1540.

In North Dakota, 93% of students attend public schools. Only 30% of students even have access to private schools, so shouldn't taxpayer money go to our public schools?

The problem with vouchers, savings plans, privately run magnet schools or anything else you try to call it, is a basic fundamental part of our country.

No taxation without representation!

Private schools are businesses with ZERO requirements to answer to the public about where money goes. If the school wants to pay their teachers less than a living wage and spend 2 million dollars to buy marble statues for the foyer, they can do that. If they want to give all the money to the superintendent to finance vacations or other luxuries, who can stop them? NO ONE! If the school decides kids named Tom are not allowed to enroll, that is their rule, they can take who they want.

Sometimes it seems like the average person has no power to impact the schools, but contacting your representatives and exercising your right to vote and supporting a free and ethical press are the power! The school boards of the schools are elected to work for the people. They take the calls, they read your emails, they are on the board because they want education to be good! The open record laws require meetings to be open to the public, access to see what was spent by who and for what has to be provided when the district is asked. Journalists are able to question and expose any irregularities. All these things keep the schools going in a positive direction by being a system of checks and balances.

Public money should not be put into private schools. No taxation without representation!

Vote no on 1540!

Thank you,
Brenda Cain
Fargo, ND

North Dakota School Study Council Testimony in Opposition to HB 1540 – Education Saving Accounts

Chairman Beard and Members of the Senate Education Committee,

Thank you for the opportunity to provide testimony on HB 1540. My name is Paul Stremick and I represent the North Dakota School Study Council. I am here today to express my strong opposition to HB 1540, which proposes the establishment of Education Savings Accounts (ESA). While the concept of school choice may appear beneficial on the surface, this bill presents significant concerns regarding financial accountability, fairness, and the fundamental principles of North Dakota's education system.

First and foremost, HB 1540 lacks any substantial accountability measures for the $36 million (which is expected to double in the next biennium) in public funds that would be diverted to private education. As responsible stewards of taxpayer dollars, we must ensure that public funds are used effectively, transparently, and with rigorous oversight. This proposal does not align with North Dakota's conservative values of fiscal responsibility and accountability. Public schools operate under strict regulations to ensure that funds are spent wisely and in the best interest of students. ESA funds, however, would be distributed without the same level of scrutiny, leading to potential misuse and inefficiencies.

Furthermore, HB 1540 creates unfair competition for public schools. While private and alternative educational institutions would benefit from these funds, they are not held to the same standards as public schools. Public schools must comply with state laws, educational benchmarks, special education mandates, and standardized assessments to ensure quality education for all students. In contrast, private schools and other educational entities benefiting from ESA funds would not be required to follow these same rules, creating an uneven playing field that disadvantages public education while using public money to support institutions that may selectively admit students. During my time in private education, I questioned the superintendent about why our school performed slightly better than our public school counterparts, despite having similar student populations. His response was clear: parents who actively choose to send their children to private schools tend to be more

involved in their child's education. This level of engagement contributes significantly to student success.

Another significant issue is that several school districts in North Dakota already receive no state funding through the current funding formula, yet they must still adhere to all state education laws and mandates. HB 1540 exacerbates this inequity by redirecting additional state resources to private education while failing to address the disparities in funding for public schools. If the state mandates compliance with educational regulations, it must also ensure that adequate funding is provided to all public districts, rather than diverting essential resources to unregulated private entities.

Public schools are the foundation of our communities, serving all children regardless of background, ability, or socioeconomic status. HB 1540 risks undermining this critical institution by prioritizing unaccountable private education funding over the needs of our public school system. North Dakota students deserve a well-funded, transparent, and equitable education system that supports all learners, not just those who can access alternative schooling options.

I urge you to reject HB 1540 and instead focus on strengthening our public education system to ensure accountability, fairness, and responsible stewardship of taxpayer dollars. Thank you for your time and consideration. I am happy to answer any questions or provide further information as needed.



Dr. Paul Stremick

March 17, 2025

Chairman Beard, members of the Senate Education Committee and all Senators:

My name is Michele Grenier and I am a proud parent of publicly educated children in rural North Dakota. My youngest is a sophomore at Rolette Public School, a small, but wonderful K-12 school in this state.

I am writing this letter to you opposing HB 1540 for the following reasons:

1. Vouchers take money away from public schools, reducing funding for public schools, available to all, for resources, teachers and programs.
2. Radicalism and funding shifts undermine public schools. 90% of the state's students attend public schools. The money should go to public schools.
3. Most private schools in North Dakota are religiously affiliated, and voucher programs would violate the separation of church and state by providing public tax dollars to religious institutions. If this passes, churches should be taxed also.
4. Voucher programs will lead to discrimination against students with disabilities or those who don't fit the "criteria" of the religious institution.
5. Private schools are not held accountable. Law makers, state agencies and the public, who are providing those tax dollars will have no way to ensure that the funds are used effectively and are getting a quality education. No one will have any proof of student achievement without oversight.
6. Parents who send their students to private schools know what they are getting themselves into financially. They make that decision freely. They have other options that would save them those dollars. Obviously, they can afford it if they continue to select a private school.
7. If the state is worried about how schools would have used state dollars when it comes to free hot lunch, they should be incredibly worried about how private schools and homeschool parents will use dollars they do not have to account for in any way.

I implore you to vote "NO" on HB 1540 for the sake of public education in North Dakota, to uphold the ideal of separation of church and state, and to keep public tax dollars in public schools.

Thank you,
Michele Grenier
Rolette, ND

Testimony in Opposition to House Bill 1540

Chairman Beard and members of the Senate Education Committee, thank you for the opportunity written testimony in opposition to House Bill 1540. My name is Dr. Nick Klemisch, and I proudly serve as the Superintendent of Garrison Public Schools. I am here today to voice my concerns regarding this legislation and its implications for rural public schools in North Dakota.

Public dollars must be dedicated to public schools. The cornerstone of our state's education system is ensuring that every child, regardless of zip code, has access to a high-quality education. House Bill 1540 threatens to divert critical funding away from our public schools—institutions that serve the vast majority of North Dakota students. By shifting taxpayer dollars away from public schools, we risk undermining the very foundation of our state's education system, which is rooted in equitable access and opportunity.

Rural schools are the lifeblood of our communities. They provide not only education but also serve as community hubs, economic drivers, and vital centers of civic engagement. However, year after year, we continue to see legislative proposals that reallocate funds away from rural districts to benefit larger school systems. House Bill 1540 is yet another example of this troubling trend. Rural schools already face significant financial challenges, including declining enrollment, increasing operational costs, and difficulties in recruiting and retaining qualified staff. By prioritizing funding mechanisms that disproportionately benefit larger communities, specifically those with private schools, this legislation exacerbates the inequities between urban and rural education.

Furthermore, the proposed redirection of funds fails to recognize the unique challenges that rural schools must navigate. Our districts operate on tight budgets, stretching every dollar to ensure that students receive the best education possible. Unlike larger districts, we do not have the same economies of scale, alternative revenue streams, or the ability to absorb financial losses without significant consequences. If this bill passes, rural schools will be forced to make difficult decisions—whether that means cutting programs, reducing staff, or increasing class sizes—all of which negatively impact student outcomes.

If our state is serious about strengthening education, we must ensure that public dollars remain committed to supporting public schools. We must advocate for policies that provide fair and adequate funding to all public schools, regardless of geographic location. It is our responsibility to uphold the promise of public education and ensure that every child, whether from a rural or urban district, has the resources needed to succeed.

I strongly urge you to reject House Bill 1540 and instead focus on legislative efforts that invest in all North Dakota students equitably. Thank you for your time, and I am happy to answer any questions you may have.

Testimony on House Bill No. 1540

March 17, 2023
Good Morning
My name is Dan Beauchamp and I am here to support House Bill 1540 that would provide and HSA for families that choose to send students to non-public schools. My wife and I have four children. Two are currently in college, one has graduated from college and is in the workforce, and one is currently a senior in high school. We made the decision to send our children to non-public school K-12 education. They started in Grand Forks and we now reside in Fargo. We have been very involved in our childrens education and their development of mind, body, and spirit. They all have recieved a great education that set them up to succeed in post secondary education and eventually becoming taxpaying adults themselves. We have been taxpayers throughout and pay taxes that fund education in public schools while also sacraficing to send our children to non-public school. This bill would help families that choose to send their children to a qualifying non-public school for their education. I strongly support the committee to give a pass to HB 1540. If any member of the committee wishes to reach me for additional comments or questions, I would be happy to respond. I respectfully submit this testimony and thank the Committee for its attention.

Dear Committee:

I write today to urge you to oppose any legislation that promotes ESAs, vouchers, or “school choice”.

These are plans that will take money that could (and should) otherwise be used to improve our public schools for all students. ESAs and vouchers would take taxpayer money and give it to families who choose to send their kids to schools that can (and do) deny students admission, they take money from the rural taxpayer and redistribute it to areas where private schools are located, and they duplicate services that already exist in many of our communities. They aren’t required to tell the public about what they would be doing with public money. These plans are rife with double-standards and lack transparency and accountability.

I think about people like my family who lives in rural ND. They don’t have these options and they will end up subsidizing a group that doesn’t need it. They were encouraged to help build up rural main streets, but many legislators don’t seem to appreciate that in the ways they should. They don’t want these bills.

The people of ND stand strongly with public education and against these plans. But what does it mean that every advertisement seen on social media and television about ESAs, vouchers, and school choice are funded from an out of state interests? It means North Dakotans aren’t asking for this.

Please vote in opposition to these bills.

Thank you,

Cody Mickelson
Jamestown, ND

North Dakota Legislature
Senate Education Committee
March 17, 2025

Dear Members of the Senate Education Committee,

I am writing to express my strong OPPOSITION to HB 1540. This bill, which would allow public funds to be used for the support of sectarian (religious) schools and students/ directly conflicts with the North Dakota Constitution, specifically Article VIII, Section 5.

The North Dakota Constitution mandates that our state provide a "uniform system of free public schools" and explicitly prohibits the use of public funds for the support of sectarian schools. Article VIII, Section 5 of the North Dakota Constitution states:

"No public funds shall be used for the support of any sectarian school."

This clear language was included in our state constitution to ensure that taxpayer money is used for the benefit of public education and not diverted to support private, religious institutions. Our public schools serve all children, regardless of academic abilities or religious or cultural backgrounds, and are an essential cornerstone of our democracy. Allowing public funds to flow to religious schools undermines this principle and opens the door for potential divisiveness, inequity, and the erosion of the public school system.

Furthermore, this bill could create a significant financial burden on the state, leading to reduced resources for our public schools. Public funds should be used to strengthen and enhance our public education system, ensuring that all students have access to high-quality education, regardless of their background or religious affiliation.

I respectfully urge the committee to reject HB 1540 and uphold the protections enshrined in the North Dakota Constitution. Our state has a long-standing commitment to public education, and it is crucial that we maintain that commitment by ensuring that public funds are used exclusively to support our public schools.

Thank you for your time and consideration.

Sincerely,
Chad Benson
9411 West Ridge Road
Hankinson, ND 58041
chadbenson@yahoo.com
701-640-2603

Chairman Beard and members of the Committee,

My name is Kendall Bergrud and I am a math teacher at Wachter Middle School in Bismarck. I am the 2025 North Dakota Teacher of the Year, an honor I hold with great pride as it reflects my commitment to the success of all students. I am here to share my opposition as a private citizen to HB 1540 as it is a bill that would benefit only some of North Dakota's students, and would hurt our public schools in the process.

At public schools around the state, we work hard to create an inclusive environment for all students no matter their range of abilities. Creating an environment where students feel like they are included and have the support they need is essential for them to thrive with their learning. Every year, I see students seriously struggling academically and behaviorally; and every year, because of the support they receive as a part of their personalized education plans, from their special education teachers, and their classroom teachers, many of these students grow as learners and build their confidence, socially and academically. I see countless students who start the year facing challenges that feel overwhelming, but end up excelling in their classes as a result of the support and resources that are available to them in the public schools. Don't get me wrong: these students are responsible for their own success, but their success stories are also a testament to the power of a high quality public education. Public schools work hard to provide the resources and support that students need for their learning styles. Alternatively, private schools, though oftentimes excellent schools, are not tasked with the obligation and privilege of educating every child in North Dakota. As a result, when they turn students with behavioral or social needs away - and if the past is any indication of the future, they *will* turn these students away - public schools will welcome them with open arms and help them chart a path to success.

And that's the issue with HB 1540: instead of providing schools that educate all students with the resources they need to achieve that goal, this bill would undercut those very resources. Public Schools are already facing budget constraints, and sending public dollars to private schools will only stretch our state's public school resources thinner. If we truly want to build a strong future here in North Dakota, we need to properly invest in the public education system, which educates more than 90% of our state's students. The tens of millions of dollars proposed for private school tuition would go a

long way toward properly funding our public schools. If you don't believe me, I encourage you to visit a public school in your district to see the great things happening there, and while you're there, ask if they have everything they need. I bet they don't. For the reasons stated above, I encourage you to recommend a do not pass on HB 1540 and instead, look at ways to support and strengthen our public schools, ensuring that every North Dakota student has access to the high-quality education they deserve.

Thank you for your time and consideration, and for your work for the people of North Dakota. I'm happy to answer any questions you may have.

March 17, 2025

Dear Senate Education Committee

I am strongly encouraging you to oppose HB 1540. No matter the bill number nor what they're affectionately called - education savings accounts, scholarships for tuition, or school choice opportunities - they have the same effect. They use public funds to subsidize private schools.

- North Dakotans have consistently opposed voucher programs. No matter what these bills are called - education savings accounts, scholarships for tuition, or school choice opportunities - they have the same effect. They use public funds to subsidize private schools.
- Our state's responsibility is to use public funds for public schools, schools that must serve all students, regardless of ability, background, or financial status.
- Voucher funding comes from the same pot of money used to fund public schools, diverting critical resources that could and should be dedicated to meeting the needs of students in public schools.
- Voucher programs are not accountable to taxpayers nor fiscally responsible, creating massive, unsustainable price tags in states that have enacted them.
- Private school vouchers overwhelmingly benefit our state's largest cities, leaving rural communities without the same options while footing the bill for others.

I am a parent of two students that attend a rural school, and this would be detrimental to the school and the community we live in. Please vote in opposition to HB 1540.

Sincerely

Barbara Mothershead

Barbara Mothershead

Olivia Data
Testimony Opposing HB 1540
March 17 2025

Greetings, Chairman Beard and members of the committee,

My name is Olivia Data, and I was born and raised in North Dakota. I grew up in Bismarck, and I attended Highland Acres Elementary School, Horizon Middle School, and Century High School. I am now a student at Harvard University.

I greatly benefitted from a public school education. I had excellent teachers, and I appreciated the variety of perspectives which public school allowed me access to.

However, rather than bolstering the resources of our public schools, HB 1540 would divert public funds to private schools. Public funds should be used for public services, and especially in a time of great challenges to our schools and teachers, we should be *increasing*, not decreasing, public school funding. Our state is already facing teacher shortages, post-COVID behavioral issues, and funding inequalities between rural and urban schools[1]. Providing taxpayer funding for private schools will not only worsen these problems but will show countless teachers and students in North Dakota that our legislature cares more for the privileges of the few than the opportunities of the many.

Please, protect our public schools by continuing to support the use of public funds for public resources. As a former North Dakota public school student and a current concerned citizen, I ask you to oppose HB 1540.

Thank you for your time in reviewing this testimony.

Sincerely,
Olivia Data

[1] *Solutions for the Teacher Shortage in North Dakota*, Ricky Feir and Ethan Liu. North Dakota State University, February 2024: 5.
https://www.ndsu.edu/fileadmin/challeyinstitute/Solutions_for_the_Teacher_Shortage_in_North_Dakota.pdf;
McCann, Adam. 2023. "Most & Least Equitable School Districts in North Dakota." WalletHub. September 7, 2023.
https://wallethub.com/edu/e/most-least-equitable-school-districts-in-north-dakota/77116.

My name is DeAnn Scheeler. I live in District 37 and I am a parent who has chosen to enroll my children in a nonpublic school. I also work in a nonpublic school, and attended one for my personal K-12 education.

I support HB1540 but I am in support of all school choice bills that support parent autonomy and the right to provide an education for my children.

My grandparents worked hard to provide for not only their children, but for the next generation. They were part of a group that helped establish the Catholic school system in Dickinson. In turn, my parents chose to send me and all four of my siblings through that same system, and now my husband and I, both of whom are graduates of a non-public school have chosen to send our children there.

Our experience in a non-public school has been wonderful for our family. The sacrifice that we make to afford this education is one that is thoughtful and deliberate, as we find tremendous benefit in our children being able to practice their faith in a school setting. Our faith is part of our identity, and having to silence that in a public school is something that would change the way we raise our children.

We have chosen to make sacrifices to be able to afford this educational opportunity for our family, knowing that nonpublic schools, especially in Dickinson, have helped to alleviate the crowding of our public school system. School choice is something that not only helps our family, but helps our community. As our President recently signed an Executive Order in favor of school choice, it would be prudent of North Dakota to take strong action to support families in their right to choose the education path that fits their family best.

I strongly urge you to vote in favor of HB 1540, advancing school choice in the state of North Dakota.

Thank you for your service to the State of North Dakota and your time on HB 1540!

17 March 2025

To Whom It May Concern,

I am writing in opposition to Bill HB 1540. Right now North Dakota public schools find themselves underfunded. Currently in Jamestowns we are finding ourselves in the midst of public schooling chaos as one of our schools and closed down and another (Lincoln Elementary) is in dire need of a new building. It is not the time to redirect these desperately needed funds elsewhere. Setting up schooling accounts would allow for public funds to go to private education. These schools are not regulated and are not required to provide services or education to all students, especially students with special needs. As a mother of two special needs children this is very alarming. Public schools already struggle to accommodate the children they have on hand. There is a shortage of para-professionals, supplies for classrooms (meaning teachers must purchase their own), special needs provisions, etc. This doesn't even mention the fact that children go hungry in our schools every day. Appropriate use of public funds is for public education. We need properly funded public education first and foremost. And then we need free school meals for all. The idea of funds that could be allocated and go outside of public schools would mean even further lack of funding and resources for the schools of North Dakota.

Also, the use of public funds to fund private education that is likely religious would breakdown separation of church and state. This is a value held dear to our country and is a line that should not be crossed. People should have choice in their children's education, but that should not come at the cost of our public education system and this bill would come at that cost.

Thank you for your time and I ask that you vote no to this bill.

Sincerely,

Madison Lyonhart
madisonlyonhart@gmail.com
2007 4th St NE
Jamestown, ND 58401

VOTE NO on 1540

I had the wonderful opportunity to see Beauty and The Beast Jr. performed at Bismarck middle school March 9th. It was fanstatic. The costumes, the music, and the audience. My children and I were enthralled. Public dollars made that experience possible. After the performance, I spoke with Bismarck Public students' parents. I was blown away by the resources available at the school. I was in awe of the facilities. The parents told me about the catalog of curriculum available to BPS students. The kids on IEPs have options, the kids that are gifted have options, and even the kids in-between have options. Arts, sciences, robotics etc. They seem to have it all. I am happy for them.

I left Bismarck to come back to Jamestown and all I could think was that no one really thinks of Jamestown Public Schools in the legislature in Bismarck. And passing 1540 will only increase the inequity and exacerbate the lack of resources and options our Jamestown Public school students have.

Private schools can raise money from their wealthy benefactors. They can limit who attends and who doesn't. In fact, my daughter was denied attending St. John's Academy. And I am so glad they did. The teachers at Jamestown Public School have been the best mentors for 9 years. They make do. They make sure their students, even the difficult ones learn, because they don't have a choice, like St. John's Academy.

Do not give taxpayer money to schools that can deny admittance. Do not create loopholes that give taxpayer money to private schools that can deny admittance.

Opposition to House Bill 1540 **3/17/2025**

Dear Chairman and Members of the Senate Education Committee,

I am writing to express my **strong opposition to House Bill 1540**, which proposes an Education Savings Account (ESA) program that would drain millions of taxpayer dollars from North Dakota's public schools and give them to private institutions.

This bill would strip $40 million from the state's general fund in the next biennium, shifting resources away from public schools, which serve over 90% of North Dakota's children. Under the bill, every student who leaves public school for a private school would take 50% of their per-student funding with them. That money should be used to improve public education for everyone, not handed over to private schools that get to pick and choose their students.

Public schools do not operate like a business, where losing a few "customers" means cutting back on expenses. Schools have fixed costs: teachers' salaries, transportation, building maintenance, heating bills in our long winters. These don't go away just because a handful of students transfer to private institutions. When public schools lose funding, the students left behind suffer. They face larger class sizes, fewer extracurricular opportunities, and cuts to vital programs that rural communities especially cannot afford to lose.

North Dakota parents already have the right to send their children to private schools. **But private school vouchers do not offer real choice.** Why? Because while parents may want to send their child to a private school, private schools get to choose which students they accept.

Private schools in North Dakota openly reject students with vouchers for a variety of reasons:

- A child has a disability and needs additional accommodations.
- A family is low-income and cannot afford tuition beyond what the voucher covers.
- A student doesn't meet the school's religious or academic requirements.
- A child has behavioral challenges or needs extra support.

This bill would give private schools the freedom to cherry-pick students while leaving the public school system to educate everyone else, including those with special needs, those facing poverty, and those struggling academically. This is not real school choice. It's private school choice.

Even with vouchers, most North Dakota families still cannot afford the full cost of private school tuition. Between tuition, books, uniforms, transportation, and fees, private schooling is simply out of reach for most working families. The majority of these funds will go to families with students currently enrolled in private schooling and able to pay the tuition in full.

Supporters of this bill like to argue that the parents of private school students are paying for education twice: through private school tuition and through taxes that fund public schools. This, of course, is their **choice**. North Dakota law guarantees free public education, not free or even subsidized private education. Many tax-payers do not have children enrolled at a public school, including those with children too young to attend school, those with grown children,

and those who do not have children at all. Should they also have a portion of their taxes returned to them? Of course not. We all know that's not how taxes and public funding works. It's not for our personal benefit – it's for the benefit of our society as a whole. **Private school families are no more entitled to public education funds than any other person without kids in public school.**

Public education serves every child, no matter their background, ability level, or family income. If North Dakota has extra funds to invest in education, those dollars should go toward strengthening public school by improving teacher pay, updating classrooms, expanding student support services.

For these reasons, I urge you to vote DO NOT PASS on House Bill 1540. Our public schools are worth fighting for. Our kids deserve better. Let's invest in a future where every North Dakota student has access to a strong, fully funded public education.

Sincerely,

Kara Geiger
Mandan

Chairman Beard, members of the Senate Education Committee, and all Senators,

I am writing as a proud teacher from rural North Dakota to strongly urge you to vote **NO** on **House Bill 1540** and **Senate Bill 2400**.

These bills are nothing more than school voucher schemes that take public tax dollars away from public schools and funnel them into private schools and private families. This is unacceptable.

Our rural public schools are the backbone of our communities. Every dollar diverted from public education weakens the opportunities and resources available to our students, teachers, and families. Rural schools already operate on limited budgets, facing staffing shortages, transportation challenges, and limited access to specialized programs. We cannot afford to have our public funds stripped away to subsidize private institutions that are not held to the same standards, do not serve all students, and are not accountable to taxpayers.

Public money belongs in **public schools**, period.

HB 1540 and SB 2400 threaten to deepen the divide between students who have access to quality education and those left behind in underfunded public schools. In small communities like mine, where the local public school is often the only option, these bills are a direct attack on our students' futures.

I respectfully ask you to stand with North Dakota's public schools, rural communities, and taxpayers by opposing HB 1540 and SB 2400. Keep public dollars where they belong—**in public schools, serving every student.**
Thank you for your time and consideration.

Sincerely,
Leah Brooks



March 17, 2025

The Honorable Sen. Todd Beard
Chair, Senate Education Committee
600 East Boulevard Avenue
Bismark, North Dakota 58505

Re: OPPOSE HB 1540, Undermining Public Education to Fund Private Schools

Dear Chairperson Beard and Members of the Senate Education Committee:

American Atheists, on behalf of its constituents in North Dakota, a bill that would increase educational inequality by taking needed resources away from the public education system — a system that serves every child regardless of their beliefs, background, or necessary accommodations. Publicly funded, nonsectarian schools are the backbone of our democratic system. We strongly urge you to reject this bill and ensure North Dakota's public schools remain open to all students.

American Atheists is a national civil rights organization that works to achieve religious equality for all Americans by protecting what Thomas Jefferson called the "wall of separation" between government and religion created by the First Amendment. We strive to create an environment where atheists are accepted as members of our nation's communities and where bigotry against our community is seen as abhorrent and unacceptable. We promote understanding of atheists through education, outreach, and community-building, and work to end the stigma associated with being an atheist in America. American Atheists opposes the use of public dollars to fund private religious education.

The program proposed by HB 1540 most closely resembles other so-called "school choice" programs like vouchers and tax credits. The funding for these types of programs comes at the expense of public school districts and communities statewide, regardless of whether a few students benefit.[1] When a public school loses a student to the voucher program, it loses thousands of dollars that help pay for teachers and classroom costs. These schools

[1] Cofniff, Ruth, *Wisconsin's school voucher expansion costs district millions.* Wisconsin Examiner, Oct. 18, 2019, Available at https://wisconsinexaminer.com/2019/10/18/wisconsins-school-voucher-expansion-costs-districts-millions/.

continue to have the same overhead with less revenue.[2] As stated in the Austin Chronicle: "State public school funding is based on enrollment and attendance, so students opting out would directly impact funding for the districts, whose costs may not decrease: Half-empty buses still use as much gas, janitors will be cleaning the same rooms at night, etc."[3]

As students leave public schools, public schools lose valuable resources. This doesn't just send the quality of education plummeting — public schools are often the only institutions in poorer communities with the mandate, capacity, and commitment to reliably serve communal functions. For example, during the COVID-19 lockdowns, public schools ensured children from low-income families did not lose access to nutritious meals by keeping their kitchens operating despite the transition to distance learning. Public schools also provide necessary services for students and their families that would otherwise remain inaccessible, including health and wellness support, before and after school programs, and a variety of extracurricular opportunities that allow students to explore their interests without placing additional financial strain on low-income families.[4]

The marketing rhetoric espoused by private school profiteers often revolves around the idea that private schools teach kids better than public schools. However, studies from several states show that education outcomes for students using vouchers and scholarships are demonstrably worse than their public school counterparts.[5] Voucher programs without proper oversight and accountability for the use of the funds are ripe for fraud and abuse. In states where these programs have already been implemented without strict accountability

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[2] Strauss, Valerie. 2017. "A disturbing look at how charter schools are hurting a traditional school district." *Washington Post*, January 9, 2017. Available at https://www.washingtonpost.com/news/answer-sheet/wp/2017/01/09/a-disturbing-look-at-how-charter-schools-are-hurting-a-traditional-school-district/; Turner, Corner. 2017. "The Promise and Peril of School Vouchers." *NPR*, May 12, 2017. Available at https://www.npr.org/sections/ed/2017/05/12/520111511/the-promise-and-peril-of-school-vouchers.

[3] Thompson, Maggie, *Bill of the Week: Bracing for a School Choice Battle*, The Austin Chronicle, Feb. 24, 2023, Available at: https://www.austinchronicle.com/news/2023-02-24/bill-of-the-week-bracing-for-a-school-choice-battle.

[4] "What Are Community Schools?" National Education Association. Available at: https://www.nea.org/student-success/great-public-schools/community-schools/what-are-they.

[5] O'Donnell, Patrick. 2016. "Tuition Vouchers Aren't Helping Ohio Kids Learn More, New Study Finds." *Cleveland.com*, July 11, 2016. https://www.cleveland.com/metro/2016/07/tuition_vouchers_arent_helping.html; Stein, Perry. 2018. "Students In Only Federally Funded Voucher Program Perform Worse in Math." *Washington Post*, May 30, 2018. https://www.washingtonpost.com/local/education/study-students-in-only-federally-funded-voucher-program-perform-worse-on-math/2018/05/30/4b6f00c8-6415-11e8-a768-ed043e33f1dc_story.html; Winsor, Morgan. 2016. "Louisiana's Controversial Voucher Program Harms Poor Students, Lowers Grades, New Study Finds." *International Business Times*, Jan 10, 2016. https://www.ibtimes.com/louisianas-controversial-voucher-program-harms-poor-students-lowers-grades-new-study-2258417.

measures, parents have used the money to buy expensive electronics, beauty supplies, other non-education related expenses, and even an abortion.[6]

Finally, funding religious private schools at the expense of public schools endangers the separation of religion and government, an essential component of religious freedom. One of the most fundamental principles of religious liberty is that the government should not compel any citizen to pay for another's religious indoctrination. However, voucher programs overwhelmingly benefit religious schools, some of which teach extremist dogma in lieu of fact. Many such schools also discriminate against students whose identities and beliefs are not endorsed by a particular church, and based on recent U.S. Supreme Court guidance, they lack labor protections for educators. This type of entanglement of religious organizations with government also endangers the religious freedom of those institutions, threatening their autonomy and opening them up to government audits, control, and interference.

Taxpayer funding should support public education that benefits every North Dakota student rather than be funneled into the hands of private schools that pick and choose which students they serve. We strongly urge you to support North Dakota public schools by rejecting HB 1540.

Should you have any questions regarding American Atheists' opposition to HB 1540, please contact me at vanderson@atheists.org.

Sincerely,



Victoria Anderson
State Policy Specialist
American Atheists

[6] *See, e.g.*, Wingett-Sanchez, Y. and O'Dell, R. 2018. "Parents spent $700K in school voucher money on beauty supplies, apparel; attempted cash withdrawals." *The Arizona Republic*, Oct. 29, 2018. Available at https://www.azcentral.com/story/news/politics/arizona/2018/10/29/misspent-school-voucher-funds-exceed-700-k-little-recovered/1780495002/.

My name is Darrel Lund and I'm a retired teacher after 42 years all in West Fargo. I taught fourth graders for 20 years and then Kindergarten through sixth graders reading as a Title I teacher for 22 years. I am opposed to SB 2400 and urge you to vote **do not pass** on the ESA/Voucher bill before this committee.

I am asking you to oppose this bill for the following reasons.

No matter what these bills are called—education savings accounts, scholarship programs, or otherwise—if they divert public dollars to private schools, they are vouchers. North Dakotans have consistently opposed voucher programs.

- Public funds should remain in public schools, where they serve all students, regardless of ability, background, or financial status.
- Vouchers take funding away from our public school system while the state faces economic uncertainty with falling oil prices and tariffs on our farm exports in retaliation for United States imposed tariffs on other nations.
- Vouchers only benefit those in larger population areas across our state as most rural communities do not have private schools. Rural North Dakotans will foot the bill to send city kids to private schools.
- Public school systems are already struggling. Rather than lowering the increased funding from three percent to two percent per year in the next biennium, we should be increasing our investment to at least five percent per year in the next biennium without diverting tax dollars to nonpublic schools.

- Public dollars would not give more choices to students, it would only siphon needed dollars away from public schools.
- Private schools are not held to the same requirements for accepting students as public schools. All parents have a right to send their children to a private school.
- I support certain private schools that I choose to donate money to. I don't expect other taxpayers to support the same private schools as I do. They may not agree with the beliefs of those schools. Private school attendance is not necessarily a matter of affordability. Catholic schools urge parents to consider their schools whether they can afford the tuition or not. They offer different options for financial assistance **if** the student is accepted after applying.

I believe along with a majority of North Dakotans that public dollars belong in public schools. If you don't believe me, ask your constituents at an open public meeting in your district, if they favor public dollars going to private schools?

We should not subsidize private schools any more than allowing public money to be used for membership to a private golf club. Please vote "Do not pass" to SB 2400.

Thank you.

Darrel Lund

I am an educator with 45 years of experience teaching at high school and university level. I am also a parent very concerned about our state considering vouchers in any form. You should consider the voucher related disasters that Arizonia has experienced. I would be glad to discuss this issue if you so desire.

I urge you to oppose SB 2400.

SB 2400 threatens the integrity of our public education system by using taxpayer dollars for private schools, which are not held to the same transparency, accountability, or accessibility standards as our public schools.

Please vote no on SB 2400.

Thank you for your time and consideration.

Senate Education Committee
March 17, 2025
Submitted by: Carol Fey, concerned citizen
Re: HB 1540 Education Savings Program

Chairman Beard and Committee,

This bill scares me!! The Ashley Public School District already has 18 children that do not attend our public school, either they are attending other area schools, or are being home schooled. What do you think will happen if this bill passes?

We already allow home schooled children to use many of our school resources for free when they participate in our extracurricular activities and we are losing out on the state per pupil payment.

I am a parent of three and grandparent of three and our small committee cannot afford to see our small schools close. I do not mind paying taxes to be disbursed to our schools to use as they see fit for *all* students. If parents choose not to utilize them, that is *their* choice. That building is the heart of the community and believe it or not many people love to live in a rural community rather than Fargo and Grand Forks cities.

This is just another attempt for citizens to hold out their hands for another hand out with devastating long-term consequences.

Help to preserve the future of our small rural schools and vote no on HB1540

Thank you

I encourage you to vote NO on this bill for several reasons:

- Private schools do not have to accept any student who wants to attend their school.. Public schools must accept all students in their school district.
- Private schools are not required to provide Individual Education Plans (IEPs) for students who need help. Public schools are required to provide IEPs as needed.
- Public schools must provide the opportunity for all students to ride a bus to and from school. Do private school?
- Will the money the Bank of North Dakota deposit in each educational savings account (page 2, line 11) reduce the amount of money available to public schools? If so, it would appear that the bill is trying to weaken public schools.
- Public schools offer much more than “reading, grammar, mathematics, social studies, and science” the bill would require.

Greetings Chairperson Beard and members of the committee,

I am submitting testimony in opposition to HB 1540. Education Savings Accounts, vouchers, school choice are the synonyms for what this bill pertains to, but what it really means is that public dollars are being used for private use. The choices that parents/families make are their CHOICE--they can choose private school or homeschool or public school. The cost of up to $40,000,000 is an exorbitant amount and would not be a fiscally responsible decision made with taxpayer dollars.

The other reason for my opposition to HB 1540 is the lack of accountability by private schools and homeschools but yet is required for public schools. Providing funding, without the accountability, is not a fair and equitable stance.

The success of public schools across our state is outstanding! I am a school superintendent in a district where no private school options are available. I am also a taxpayer in a different school district where no private school options are available. I am also a parent of two children that are public school teachers and a grandparent of public school educated grandchildren. Bills such as HB 1540 will only erode sustainability of success in not only my district, but in school districts all across North Dakota!

Respectfully submitted,

Jeff Manley, Superintendent of Leeds Public School

Dear Members of the Senate,

I strongly urge you to support HB 1540/SB 2400 because ESAs will be good for our state. They will provide parents with greater autonomy over their children's education, increase educational opportunities through supporting new markets, make all schools more accountable to parents, and help to keep non-public education accessible to families. Our non-public school families currently save the State over $80,000,000 per year because they pay for their children's education out of pocket, while public school parents (without being means tested) pay nothing for their children's education except taxes, which are paid the the parents of non-public school parents as well. This is fundamentally unjust. Bishop Ryan Catholic School provides a valuable service to its families and the state of North Dakota, it is only right that some support be provided to parents who choose non-public education for their children.

It is time that we give support to ALL our ND families to make choices for their children's education.

With much gratitude,

Marlo Nelson

Dear Members of the House

I strongly urge you to support HB 1540/SB 2400 because ESAs will be good for our state. They will provide parents with greater autonomy over their children's education, increase educational opportunities through supporting new markets, make all schools more accountable to parents, and help to keep non-public education accessible to families. Our non-public school families currently save the State over $80,000,000 per year because they pay for their children's education out of pocket, while public school parents (without being means tested) pay nothing for their children's education except taxes, which are paid the the parents of non-public school parents as well. This is fundamentally unjust. Bishop Ryan Catholic School provides a valuable service to its families and the state of North Dakota, it is only right that some support be provided to parents who choose non-public education for their children.

It is time that we give support to ALL our ND families to make choices for their children's education.

With much gratitude,

Marlo Nelson

To the ND Senate Education Committee,

Hello,

My name is Kristin Franzen. I live and pay taxes in District 36. My 4 children attended non-public schools in this district from 1995 – 2014. I also currently have grandchildren attending non-public schools in District 35 and I own a business in District 32 that has been paying local taxes in that District since 2001.

I support HB 1540, and I am in support of State-funded educational savings accounts and all school choice bills that empower parents to choose the right educational option for their children.

Parents partner with schools to provide an education for their children and parents should be primary in their education. As a parent who therefore wants to be involved with my children's and my grandchildren's education and to have a choice, and a voice in the academic, cultural, social and spiritual environment that surrounds them, I support HB 1540.

Most non-public schools in ND were established to empower parents to partner in their children's education through shared standards and beliefs. They were not established for the well-off or for the elite. While we were paying both the taxes for our public school system and the tuition for our children to attend the school of our choice, our financial situation was such that we qualified for reduced hot lunches. We and many others made many sacrifices to send our children to the school of our choice, because of our strongly held belief that it was the right educational environment for our children.

The financial burden of non-public education has eliminated the "choice" for many families in ND. For the sake of our children and grandchildren, it's time to recognize our freedom of choice in education through the appropriation of funds for all students in this state through the use of State-funded educational savings accounts.

I urge you to vote in favor of HB 1540.

Thank you for your service to the State of North Dakota and for your time on this important bill.

Respectfully,

Kristin Franzen

Chairman Beard and members of the Senate Education Committee,

I am sharing written testimony in opposition to House Bill 1540. In his landmark work *History of North Dakota*, Elwyn Robinson highlighted the important role that public education has played throughout the state's history, stating that "by every measure… schools were the state's most important cultural activity." Difficult though this task was (and continues to be) in a state with many sparsely populated areas, a strong system of public education is vital to providing opportunities that may not otherwise be available to the state's residents. I take great pride in the fact that I am the product of North Dakota's strong commitment to public education. From my time as a student at Valley City Public School to my undergraduate (and now graduate) work at the state's Land Grant institution, many of the opportunities I have had are the result of free public schools and affordable universities.

Long before North Dakota's public schools began opening doors for me though, they paved the way for the success of generations of this state's residents. All four of my grandparents graduated from rural high schools between 1950 and 1960, a time when everyone earning a high school diploma was not taken for granted. After they had completed eighth grade in country schools close to the farms where they grew up (schools that existed because of North Dakota's strong commitment to accessible public schools, especially in rural areas), my grandparents' families went to great lengths to ensure they could take advantage of the public high schools available in the nearest towns. This education was an invaluable part of their preparation for successful careers in production agriculture, rural telecommunications, and (coming full circle) rural education.

I share all of this to emphasize how valuable public schools have been (and continue to be) to the state of North Dakota (especially its more rural areas), and why House Bill 1540 gives me such great concern. I know that the proposed appropriation for educational savings accounts is currently independent of public school funding. Despite this, any state resources allocated for this purpose are resources not available for the many other functions the state funds, including foundation aid for public schools. Although I have no opposition to private schools or other services that would qualify for education savings account spending, I believe any entity using taxpayer funds needs to have a mission that serves the entire public. Additionally, public schools (both rural and urban) in North Dakota are faced with a host of challenges (teacher recruitment and retention, rising operating costs, aging building infrastructure, to name a few), and meeting these challenges requires strong financial support from the state. I urge the legislature to keep public dollars with the public institutions that need them most.

Thank you for your time and consideration of this important issue.

Sincerely,

Erik Johnson
Killdeer

HB1540, if approved, would greatly increase the value of our educational system throughout the state.

Educating our young people is one of the primary pillars of building a strong and innovative North Dakota. I do feel that per person funding should not be limited based on choice of school. If these private students were to choose to go to public education, that would actually decrease funding opportunities and infrastructure for the public school students. Setting up this other fund would truly be the best alternative to allowing all students equitable access to education where they learned best.

I just wanted to remark on my personal experience with private education. I am a graduate of Shanley High School from the year 2002. More than 15 of my 55 classmates have private businesses across the state that are thriving and positively contributing to our communities. Innovation, healthcare, meeting workforce needs, and delivering high-quality services to our citizens is paramount. A large number of my graduating class and many others of those from Shanley High School continue to live and work in North Dakota. For example, I teach at one of our universities in North Dakota. Every year, I educate over 150 pharmacy students and equip them to serve the citizens of North Dakota and meet our land grant mission. I also coordinate a statewide opioid risk and harm mitigation program that has served over 27,000 patients across our state. I contribute a large part of this to the education and values that I learned in my K through 12 formative years.

Please consider a yes, vote on both of these bills so that the state of North Dakota can continue to grow our K through 12 platforms and graduate, passionate, highly motivated, and committed citizens in North Dakota.

Heidi Eukel

April Dutchuk
338 2nd Ave NW
PO Box 978
Killdeer, Nd 58640
March 17, 2025

North Dakota Legislature
600 East Boulevard Ave
Bismarck, ND 58505

Dear North Dakota Legislature:

Vote NO on HB 1540. Providing a taxpayer with a subsidy for private school tuition will have a negative impact on our public schools throughout the state. Public dollars are meant to stay in the public schools which are required to serve all students, regardless of ability, background or financial status. Many of our public schools are already struggling to cover expenses as costs have continued to increase. It is our state's responsibility to keep public dollars public

This bill does not provide for accountability to the taxpayers for their dollars nor fiscal responsibility. There is nothing preventing a private school from increasing their tuition that amount of the voucher. Thus, doing nothing to benefit the taxpayers and ultimately only taking away from our public education, especially in our smaller rural communities which serve the majority of our state's children.

My family does not have access to a private school simply due to geography. As is the case with over 90% of our state's students. My tax dollars are meant to support my community's students and their education. Not to subsidize a student's tuition in Dickinson, Bismarck, Minot of Fargo. This bill will only benefit our state's largest cities while causing harm overwhelmingly to our rural communities and schools.

Vote NO on HB1540 and keep public dollars public!

Sincerely,

April Dutchuk

April Dutchuk

House Bill 1540 – Neutral

In my previous testimony, both written and oral, I explained my position opposing school funding but my primary concern as a homeschool parent and leader is the protection of homeschooling freedom.

Since the bill sponsor amended HB 1540 to exclude homeschoolers as we requested in February, I have assumed a neutral position on this particular ESA bill.

Thank you for your hard work and your time.

Kristy Rose
Bismarck, ND

House Bill 1540 and Senate Bill 2400 – Do Not Pass

My family farms in Butte, a tiny town in McLean County. My mother and aunts were public school teachers in Butte, Minot and Bismarck. I live in Bismarck and pay taxes in both Burleigh and McLean counties.

I am opposed to both HB 1540 and SB 2400 for a few reasons:

1- Small towns like Butte don't have private schools or access to many of the services listed on the "eligible expenses" of these bills. In many cases, the only place for small-town kids to receive dyslexia services or mental health help is the public school and those services are already covered by taxpayer money. Giving taxpayer money to parents to spend on private school or private services separate from the public school will not benefit the rural kids nor the rural schools. Their "problem" isn't not having the money for these things it's that these things don't exist for them outside the public school.

2- The majority of students benefiting from education spending accounts like those set up in these two bills are ALREADY enrolled in private school or already receiving services through a private business. In some states, that percentage is as high as 93%. So we are not creating more options nor are we providing actual choices with either of these bills.

Please do not pass 1540 nor 2400 as they are not solutions for improving education in ND and will not benefit the majority of ND kids.

Sincerely,
Karen Wolfer
Bismarck, ND

As a graduate of a small North Dakota public school and as a mother of two who graduated from a public school, I oppose public funds being used for private schools. I am a firm believer that we need to live in an educated society. With over 90% of North Dakota students attending public school, the money needs to stay with what benefits the majority.

We need to keep our rural schools open. By redirecting public funds to the private sector a greater burden will be placed on rural schools districts.

I urge you to oppose HB 1540

3/17/25

To whom it may concern:

I am writing to you to vote NO on HB 1540 this afternoon. It is disheartening as a public school teacher to see this come up year after year. It is absolutely not acceptable to divert public funds to private or alternative educational settings. It will widen inequities for schools that serve low-income students and students with disabilities.

HB 1540 will give funding to private schools that don't have the same accountability standards as public schools. There is no way to make sure public funds are being used properly.

HB 1540 undermines the idea of public school education. You are going to take more funding away from public schools that are already underfunded. In my mind, this then gives public money to private schools, but they are not held to the same guidelines as public schools. "Here is money that you can do anything you want with." If you are giving fund to private schools, they are no longer private. Public funding makes you a public school.

It was very disheartening to hear adults in the legislature stating that "public schools are lacking." I feel very confident that I, and my district, are teaching what my students need to know to succeed in the future. If you are saying "public schools are lacking," that is YOUR fault for not properly funding for schools that take ALL students with all needs and behaviors. Public schools can't kick out children they can't handle in their buildings like private schools do.

Please do NOT pass this bill. It is a slap in the face to the public school system that you don't want to fund or have respect for. If you feel that way, which I do not, fund the public school systems to care and teach ALL children. Stop being elitists.

Thank you for your time,

Anita Frey

My name is Barry Nelson, I live in Fargo, ND and I am opposed to HB1540 and urge a no vote on this attempt to divert monies away from our public schools.

I am a product of the North Dakota public school system graduating from the small public school in Kathryn, ND. My wife is a product of the North Dakota public school system graduating from the moderately sized public school in Bowman, North Dakota. My children are products of the North Dakota public school system, both graduating from Fargo North. Currently, I have five grandchildren either attending public school in North Dakota or soon to be. We would all attest to the fine quality of those educations and advocate that a highly successful public school system should not be tampered with, much less undercut with funding.

Adequate funding has always been the hallmark of public education in North Dakota. Despite our state ranking near the bottom of salaries for our teachers, we continue to see exemplary staff filling those teaching roles. Our efforts should be directed at supporting our current system, while making sure that special services are adequately funded and that eventually school lunch for all is instituted.

We at one point considered private schooling for our children. We have relatives who have elected to send their children to private schools. Under both circumstances we know that if we choose a private education, it would be at our cost. I have no regrets that we chose to keep our children in public schools as they received an excellent education.

Please vote no on HB1520.

Dear Senators,

I am writing to express my opposition to the proposal to use public dollars to fund Educational Savings Accounts, HB 1540. As an educator with almost 32 years of experience in North Dakota public schools, I have seen firsthand the positive impact that our public education system has on students and the community. My family has deep roots in public education – I graduated from a North Dakota public school, as did my wife and children. We are all proud of our public education and are active, tax-paying members of this state.

I strongly believe that the implementation of ESAs will take vital resources away from the public education system and ultimately harm students in our state, especially those in rural areas. Rural schools, where options for school choice are limited, rely heavily on public funding to provide quality education. Diverting money from public schools to fund ESAs will only exacerbate the challenges rural schools face, including limited access to resources, teachers, and extracurricular opportunities.

While school choice may be a viable option in urban settings, it does not work the same way in rural communities. Public education serves as the backbone for rural areas, and we need to focus on strengthening it, not undermining it by diverting funds away. By investing in public schools, we can ensure that every child, no matter where they live, has access to the resources they need to succeed.

I urge you to take a stand for public education and oppose the use of public dollars to fund ESAs. Let's invest in the future of our students, our communities, and the state of North Dakota by supporting and strengthening our public education system.

Thank you for your time and consideration. I trust you will make the right decision in support of North Dakota's public schools.

Sincerely,

Monty Mayer

Monty Mayer
Velva Public School Superintendent

Public funds should only be used for public education!

March 17, 2025

Dear Elected Officials,

I am writing to urge you to oppose HB 1540.

HB 1540 threatens the integrity of our public education system by using taxpayer dollars for private schools, which are not held to the same transparency, accountability, or accessibility standards as our public schools.

As a parent whose children attend public school and speech-language pathologist who works for a special education unit and provides intervention to students in public schools in five different school districts, I see firsthand the students who will be negatively affected by this bill. Please protect our children's education by voting no on HB 1540.

Thank you for your time and consideration.

Sincerely,

Alexie Adair

610 Elm St, Lisbon, ND 58054

*The Forum of Fargo-Moorhead published the following letter from me in its Saturday, March 8, 2025 edition.

"The child is not the mere creature of the state."

So wrote Supreme Court Justice James C. McReynolds, in the unanimous 1925 court decision upholding the rights of parents to choose the best education for their children (*Pierce v. Society of Sisters*).

Yes, a Catholic religious order, "Society of Sisters of the Holy Names of Jesus and Mary," was the plaintiff in the case as the sisters challenged Oregon's 1922 law that required all students to attend public schools with the 1926-1927 school year. Oregon Governor Walter Pierce was named as the respondent in the sisters' lawsuit.

Several decades after the ugly, anti-Catholic Blaine Amendment initiatives of the late 19th century, this new wave of bigotry, led by the Ku Klux Klan, further sought to intimidate Catholics. (Recall, for example, Fargo's Anti-Catholic Klan rally and parade in September of 1925 as 8,000 people gathered at the Fargo fairgrounds. Recall, also the pervasive presence of the KKK in the halls of power in Grand Forks in the mid-1920s.)

In upholding the freedom of parents to educate their children in the school of their choice, the Supreme Court also acknowledged that the state has a right to regulate non-public schools and to require compulsory education of children. Thus, a century later, we comply with the non-public school approval process through the North Dakota Department of Public Instruction (DPI) and follow the applicable state and federal regulations for schools.

Twenty-two years after Pierce v. Society of Sisters, another Supreme Court ruling (*Everson v. Board of Education*, 1947) found that a New Jersey statute that provided parental re-imbursement for busing to non-public schools—including Catholic and other religious schools—did not violate the establishment clause. Rather, the court held that law benefitted the common good and facilitated the free exercise of religion by parents.

I am supremely grateful for these two Supreme Court rulings, for my life would likely have been very different without these precedents.

In the summer of 1969, my family moved from Minneapolis to a farmstead in rural Minnesota. My parents wanted to exercise their right to choose a Catholic school for me and my siblings. They were also empowered to do so with a new Minnesota law modeled on the Everson decision that allowed non-public school students to ride the public-school bus.

In speaking with my mother recently, she revealed that without the then-new busing option, my parents wouldn't have been able to send us to Catholic school (which, in hindsight, gave me tremendous, unique opportunities).

I am grateful for the progress of School Choice Bills in this North Dakota legislative session. Besides empowering and enabling parental choice, they would also cultivate the common good

and invigorate the educational landscape. Those are good choices for any state that desires a well-educated and engaged citizenry—not “mere creatures of the state.”

Mike Hagstrom
Fargo

President, St. John Paul II Catholic Schools
Director, Diocese of Fargo Catholic Schools
Office Phone: 701-893-3244

*Dear Education Committee Members,

Given the various means available to attain the end of education—a public good for the State of North Dakota—please consider the Education Savings Accounts as an effective way to enable parents to choose the best means of education for their children.

Thank you for your consideration of the ESA bills in the legislative process.

Mike Hagstrom

TESTIMONY ON HB #1540
SENATE EDUCATION COMMITTEE
March 17, 2025
By: Ross Roemmich, Management Information Systems Director
701-328-2189
North Dakota Department of Public Instruction

Chairman Beard and Members of the Committee:

My name is Ross Roemmich, and I am the Management Information Systems Director with the Department of Public Instruction. I am here to provide information and request clarification of some terms in House Bill 1540.

DPI appreciates the intent of this bill, but unfortunately, the Department was not asked to help develop its language. We'd like to address some points of concern and confusion, as well as areas that make this bill difficult, if not impossible, to implement.

First, we need clear and consistent definitions and uniform terminology to avoid misunderstanding and to ensure the bill's intent is carried out:

- In the definitions on Page 1, the bill language states that "administrator means an organization registered by the secretary of state to do business in North Dakota and designated by the Bank of North Dakota to assist in the

implementation of this chapter." However, the Department of Public Instruction is also named as the administrator on Page 7, Line 4.

- Accountability: A definition of accountability needs to be added because it is not defined in Century Code, and it is specifically referenced on Page 7, Line 23, as a reason for which a participating school or education service provider can be barred from participating in the ESA program.
- Nonpublic school: While the bill language implies that tribal Bureau of Indian Education schools would be precluded from participation, it can also be surmised that BIE students would still be eligible to participate in the ESA for other, non-tuition purposes. Is this the intent of the bill?
- The terms "scholarship" and "grant" are used interchangeably to describe the ESA funds. We suggest using one term, although ESA funds are not necessarily considered scholarships or grants.
- The terms "grammar" and "language arts" are both used within the bill. We recommend using "English Language Arts" or "ELA" consistently to align with the name used for North Dakota content standards.

The additional questions/needs for clarification are in document order within the bill language.

- We have concerns about the vetting/approval process for private tutors, which is an allowable expense under this bill. It does not delegate this duty. What is the definition of "qualified" and who will conduct vetting and approval processes? (Page 2, Lines 8-9).
- "Priority access" for the ESA program is outlined on Page 2, Lines 15-16. This implies that there may not be enough funding for all eligible students. What guidance should be used to create a priority access list (first come, first served; lowest income; number of family members enrolled; etc.)? Does anyone have guaranteed enrollment?
- Page 2, Lines 22-23 states that home-educated children are not eligible to receive ESA funds. However, Page 4, lines 4-6 state that a student may transfer to home school and retain the funds in the ESA. This is contradictory. Also, there is no minimum timeframe for which an eligible student must maintain enrollment in any one school. This offers an opportunity for abuse. A student could be enrolled in a nonpublic school until they receive their first allotment of funds, purchase a computer, and then transfer to a home education setting. That would be legal under the bill as it is now written.
- As pointed out previously, both the Bank of North Dakota and the Department of Public Instruction are identified as administrators in this bill.

This bill also requires that each entity write administrative rules, but there is no direction given about which agency should write which rules for which topics.

- We have questions about the determination and approval of qualifying expenses outlined on Page 3. Specifically, private tutoring (as mentioned earlier), national norm-referenced examinations (there are a plethora to choose from), and the approval of appropriate technological devices. Furthermore, the language on Page 3, Lines 14-17 states that hardware purchased with ESA funds may not be resold within a year of purchase. A state agency cannot track and verify this for each eligible student without being intrusive. This provision will require an annual audit of all equipment purchased, and without it being physically inventoried in person, it will only provide a false assurance of compliance.
- Page 4, Lines 14-16, states that the Bank of North Dakota can make a parent of an eligible student ineligible for the ESA if the parent "substantially" misuses funds. This should be more clearly defined to ensure compliance and enforcement. We don't speak for the Bank of North Dakota, but it appears this provision would turn the bank into a police agency of sorts.

- Page 4, Lines 23-25, states that upon the student's graduation from high school, the superintendent of public instruction shall close the student's account and transfer any remaining money in the account to the general fund in the state treasury. However, the bill does not give the superintendent direct access to student ESA accounts or transfer authority. This doesn't seem to be necessary or realistic if the ESAs will be managed by the Bank of North Dakota and/or a contracted vendor. Additionally, due to a lack of a mandated reporting method, we have concerns about how and if high school graduation will be accurately reported.
- Page 5, Lines 6-17, outline a school's responsibility, but are there expectations for eligible students who attend a NON-participating school and who use their funds for qualified expenses? Are there deadlines for the use of funds? Who conducts the verification and approval process for eligible expenses?
- There are significant concerns about the testing language and expectations outlined in this bill. First, the term "state achievement tests" should be "state assessment." North Dakota uses the state assessment to measure student achievement via levels of proficiency, not state "achievement."
    - There are numerous assessments built to measure different standards. Without students using the same assessment—and in this

case, using the same assessment public school students are using—there is no way to compare performance. Furthermore, there is no measure of student achievement when it comes to looking at North Dakota Content Standards. This is the primary reason the state summative exists, which is to measure student achievement via North Dakota State content standards and allow a comparison/standardized measure. DPI will simply not be able to determine the performance of students using this program and will not be able to make comparisons to public school students, or any other comparison. The bill calls for measuring "the achievements of the education savings account program." Without the use of the State Student Information Systems and the state summative, DPI will not be able to do this.

- Page 5, Lines 26-27, states the results of tests are provided to the department or an organization "chosen by the state" on an annual basis. Which entity is allowed to choose the organization that can receive testing information?
- Because families can choose which tests they take for this annual requirement, the expectation is that the parent will work directly with test vendors. If the vendor doesn't collect the aggregate data by

grade level, gender, family income level, and race, families will need to provide that information to the state with their test results. What is the method for that reporting? What happens if families do not provide the required information? Is there a consequence?

- Page 5, Lines 30-31, addresses graduation reporting. Who verifies high school graduation, and how is it verified if nonpublic schools are not required to (and choose not to) provide that information to the state?
- Page 6, Line 2, states that the department will collect all test results. This bill does not provide any automation or standardization method for doing this. The department will be responsible for collecting thousands of test results via potentially dozens of different test vendors—which will come with a cost of manpower and resources—but there will be no way to refine and translate the data.
- Page 6, Lines 9-11, outline the requirement to highlight high school graduation rates, college attendance, and college graduation. It is impossible to provide high school graduation rates without a denominator. What is the timeframe for which the department will track post-secondary activities? How will the reporting of those

activities be mandated and tied to the distribution of ESA funds? If students and families choose not to share post-secondary information, must they repay all the ESA funds they received and used as elementary and high school students? How is this repayment accomplished and enforced?

- Page 7, Line 1, states that participating nonpublic schools and education service providers must have the freedom to provide for the educational needs of the school's students without government control. This statement negates all other requirements in this bill.
- Page 7 outlines the department's duties.
    - Does the department have the authority to collect documentation proving residency, income level/tax brackets, etc. to determine student eligibility and to market the ESA to specified income levels?
    - Why would DPI be responsible for providing the web and phone-based support system for accounts managed by the Bank of North Dakota?
    - Lines 20-26 describe when the agency can bar a participating school or service provider from the ESA program. What is the definition of "routinely" for entities that fail to comply with accountability standards? Again, the bill also lacks a definition for "accountability."

- Lines 27-30 describe a situation in which the agency notifies eligible students if their participating school becomes ineligible. There is no way to verify enrollment in these schools or to obtain the lists of eligible students along with their contact information.
- To put it bluntly, if participating families and schools don't use the state's existing data system, there is no way to ensure proper execution of several of the requirements outlined in this bill.

We appreciate the bill's intent to provide more educational options for North Dakota students and their families, but this bill, as written, needs some significant improvements to ensure that it can be effectively executed. Our primary concerns lie in information collection, vetting and verification processes, the expectations for data reporting, and the time and cost required for the Bank and the Department of Public Instruction to implement this bill.

Robust verification mechanisms and clear accountability standards must be included to ensure proper fund use and accurate reporting.

Chairman Beard and Members of the Committee, that concludes my prepared testimony, and I will stand for any questions that you may have.

Thank you, Chairman and members of the committee, for this opportunity to speak today and to address this important topic. My name is Aaron Gillham, Policy and Advocacy Director at EdChoice. For those who may be less familiar, EdChoice was founded in 1996 by the free-market economist Milton Friedman and his wife Rose, as they believed competition and new ideas in the education space was vital to improving the outcomes of students in every type of community across the country. They also believed that parental choice was core to the principals of freedom.

As EdChoice has been working in the school choice space for almost 30 years, we have become known as a place for in-depth research, polling, and statistics on topics surrounding education freedom.

I come here today to share some of our analysis and findings, as we realize this important piece of legislation has the potential to change the lives of many families in the state of North Dakota. Presently, **34 states, plus the District of Columbia and Puerto Rico**, have enacted some kind of school choice program, many states with multiple different programs operating side by side. Last year we hit a milestone as a nation, with the number of students utilizing private school choice programs surpassing **1 million**. Furthermore, with the Tennessee legislature passing a universal ESA program during their January special session, as well as Idaho and Wyoming earlier this month, there will now be **16 states** with universal school choice programs on the books.

At EdChoice we believe that allowing all families to choose the type of education that best matches their values and their educational needs, is an important component that has been lacking when assigned schooling by address has been the model for many decades. And in the empirical, gold standard studies on the outcomes of school choice programs, the trajectory is clear. In fact, there have been a total of **188** individual studies to date on the effects of choice programs, examining everything from educational attainment, to civic values, to parent satisfaction, and, of course, the financial effects on a state. The overwhelming number, **84%** of these studies, show positive outcomes, with another **10%** indicating neutral results.

To address one of the most persistent concerns, fiscal effects of programs like the one being considered here, are certainly top of mind for lawmakers such as yourselves. Across various school choice programs that exist nationwide, the average K-12 spending per pupil is just over **$6,000** while the average K-12 per pupil spending in district schools is just over **$17,000**. According to the legislative fiscal note on H.B.1540, it appears that **$4,082** would be the approximate ESA amount per student who would utilize this program, coming in under the national average. Furthermore, we found that spending on choice programs represents just **0.3%** of total state expenditures on all public services in states where choice programs exist. And Arizona, a state that has enacted some of the most open and robust education freedom initiatives anywhere in the country, also has many rural districts, like North Dakota. Last year, in addressing rumors that their budget had been ruined because of their ESA program, the Arizona Department of Education itself issued an official statement indicating that they were running at a **$28** million surplus. And, just at the beginning of 2025, the state came out with an estimate that their entire budget will be operating at over **$500** million in surplus. In short, Arizona, and states that have enacted robust school choice programs, have not seen a budget crisis because of these programs.

I appreciate the time allotted here today for comment as your committee considers **H.B. 1540**, an important piece of legislation we believe will bolster education opportunities for families across North Dakota. Because this legislation includes many approved uses, the flexibility in allowing nationally normed tests, the inclusion of a parental satisfaction survey, and treats all North Dakota families without distinction, we believe this is the strongest legislation for bringing school choice to the state. And that's what this is really about, giving families the ability to choose what's right for them and their children. We would also invite you to check out our website, echoice.org, to see our research, as well as access to our publications for download.

Thank you very much.

Aaron Gillham
Policy and Advocacy Director

E: aaron@edchoice.org
C: 513.702.5761
edchoice.org

111 Monument Circle, Suite 2650
Indianapolis, IN 46204

"Advancing educational freedom and choice for all as a pathway to successful lives and a stronger society."

Senate Education Committee,

I am writing to express my support for House Bill 1540, which proposes the creation of an education savings account (ESA) program in North Dakota. As a parent with children currently attending private school, I see firsthand how vital it is to have access to an education that aligns with their unique needs and learning styles.

This bill would make a world of difference for families like mine, providing much-needed financial support to help cover tuition and other educational expenses at nonpublic schools. We've made the choice to send our children to a private school because of the smaller class sizes, our beliefs, individualized attention, and a curriculum that better suits their strengths. However, private school tuition can be a financial burden, and an education savings account would help lessen that strain.

The ESA program would allow us to use state funds to directly support our children's education, giving us the flexibility to invest in the resources that make a real difference in their academic success. It would also ensure that our kids have continued access to quality education without worrying about rising costs. As a parent, I want the best possible future for my children, and this program would provide them with the opportunity to continue receiving the high-quality education that private schools offer.

I truly believe that this bill will help level the playing field for families across North Dakota, offering them the choice and financial support needed to make the best educational decisions for their children. I ask for your support in passing HB 1540 and helping our children—along with so many others—thrive in an educational environment that works for them.

Thank you for your time and consideration.

Mia Lehn

March 17, 2025

Re: HB 1540

Dear Members of the Senate,

As parents, it's our duty to educate and form our children into responsible, contributing citizens with honesty and integrity. As Christian parents, it is also our duty to raise our children to know, love, and serve God. It is our right and responsibility to choose how best to execute these duties & it is the responsibility of our government to assist parents in that execution.

While public schools can meet some of our requirements, they do not meet all and are not always the environment that best suits the needs of every child. For years, the state has given NO assistance to the parents whose children's needs are best met in a private school setting. The state has failed in its responsibility to assist parents in the education of these children.

When the military brought us to Minot, we fully intended to put our children in public school. However, when we learned how large the public schools were, we knew that they would not be the best learning environments for our children. Based on their learning styles, we knew our children needed more individual attention than the public schools here could provide. Therefore, we made the very scary financial decision to enroll them at Bishop Ryan Catholic Schools. Over the next five years, even though our income was low enough that we qualified for the WIC program, we somehow came up with the money to pay the tuition each year.

We'd planned to move upon military retirement to a more rural area closer to family. Instead, we ended up staying in Minot solely because of BRCS and our church here. We are now in our 20th year of paying tuition (several thousand each year) scrimping, saving, and pinching every penny to do so, while my husband commutes 75 miles twice a day for work, and 160 miles to help my cousin farm. For the last fifteen years we've been paying property taxes in Minot. Our children have never received any benefits from those tax dollars, with the exception of when one of our sons was on the Jim Hill swim team one year, and another son was in the Vivace Orchestra one year.

Shouldn't the monies that our state designates to educate its young people belong to ALL of those young people? Shouldn't it be used to educate those young people no matter what school they attend (as long as accredited)? Why are we being penalized for sending our children to the school that best meets their needs for both academic & human formation? The state is failing to meet its obligation.

Four of our 6 children have graduated from BRCS, attend/ed ND colleges, and are living and working in ND, contributing to our state's economy. The oldest owns her own business (Far Out Nuts), the second is a mechanical engineer for Bobcat, the third is a project manager in risk management for an insurance company, and the fourth is studying cybersecurity, interning with Doosan. The fifth is taking college courses through BSC as a sophomore in HS, considering Electrical Engineering, Cybersecurity, or Information Technology Management as majors. The sixth is still considering his options. BRCS has done an exemplary job of assisting us in educating and molding our children into contributing citizens of this great state. It's time for the state to step up to do its part.

Thank you for your work on the Education Committee.

Sincerely,

Mary Finley
515 9th Ave. SE
Minot, ND 58701
701-838-0039

March 17, 2025

Senate Education Committee
State Capitol Room 216
600 East Boulevard Avenue
Bismarck, ND 58505

Subject: In support of HB 1540

Chairman Beard and Senate Education Committee Members,

My name is Catrin Wigfall, and I am a policy fellow at American Experiment North Dakota writing today in support of HB 1540, which establishes an Education Savings Account (ESA) program in the state of North Dakota.

As a policy researcher, former public school teacher, and a former student who attended nearly every type of school learning environment, I have experienced first-hand the variety of learning environments that make up our country's education ecosystem. Each of these education settings brings something parents value within education. In fact, survey after survey shows that parents value a lot of different aspects of education, and very few schools can excel at all of them, despite efforts to do so.

Students' educational needs vary, and a centralized system is not equipped to individualize to each student's unique learning styles. Perhaps a student thrives under a self-directed program. Perhaps a Montessori-inspired model or a classical education approach is a better fit for the student and is something parents value. Perhaps families measure a quality education by standardized test scores, or teacher credentials. Perhaps extracurriculars are important.

With HB 1540, North Dakota families currently unable to access an individualized, decentralized learning model would have access to the same learning environments as their wealthier peers. A quality education should not just be for the wealthy, and HB 1540 provides families access to nonpublic options while taking no existing options away.

Fiscally responsible

Opposition to investing in our students, regardless of where they are educated, claims that a program like HB 1540 "diverts" money away from public schools. First, no money allocated for North Dakota public schools is used for this program. Second, only 50 percent of the state funds that are allocated

for a child's education would be available for use at a nonpublic learning environment and/or for other pre-approved education expenses. The local public school would still receive local dollars for fixed overhead costs even for students it is not responsible for educating.

A November 2024 study by EdChoice's Fiscal Research and Education Center analyzed 48 school choice programs in 25 states and the District of Columbia and found they saved taxpayers between $20 billion and $45 billion since the programs began, or between $3,300 to $7,800 *per participating student*.

The current fiscal note attached to HB 1540 estimates expenditures at just under $37 million, which includes $3.5 million for a vendor/marketing service program for Year 1, putting it well within Gov. Armstrong's budget recommendation of $44.3 million for ESAs, making it the most fiscally responsible ESA bill before the Legislature. This fiscal note also assumes a 100% take-up rate (meaning, 100% of eligible students would participate in the program in Year 1), which has not happened in the history of the modern school choice movement, and likely overestimates the cost of the program.

Individualized, specialized services for neurodiverse students

Students in need of individualized and specialized services don't always have their needs met in a one-size-fits-all system. While there are many parents of students with disabilities who are completely satisfied with their local public school, their IEP team, and the services their child is receiving, there are also families seeking something different, and school choice policies like HB 1540 have helped them access schools, therapies, and tutoring that don't require them to battle for evaluations, services, and compliance. For example, Full Circle Academy in Fargo is a fully accredited private school that services only students with special needs, has a waiting list, and is an example of the need for more options to meet demand.

Florida passed the first statewide voucher program in 1999 specifically for students with disabilities, and today its program and the number of other school choice programs across the country that also specifically serve students with disabilities/an IEP have benefited thousands of students by helping families cover tuition, therapies, tutoring, and other expenses.

North Dakotans support school choice

A February/March 2025 poll commissioned by the North Dakota News Cooperative found that a sizable majority (64%) support giving "parents the right to use tax dollars designated for their child's education to send their child to the public or private school that best serves their needs."

An October 2023 survey conducted by Arc Insights that asked North Dakotans specifically about ESAs also found overwhelming support for such a program in the state across the political and geographic

spectra — 72 percent of K-12 parents, 66 percent of Republicans, 64 percent of independents, 62 percent of Democrats, 67 percent of respondents in urban areas, 64 percent in rural areas, and 62 percent in suburban areas.

In conclusion, HB 1540 is not an "either/or" proposal — either support one type of learning environment/system or support another — but a "both/and" approach. For the foreseeable future, the majority of North Dakota students will be educated through the state's public school system. Ninety percent of empirical studies — studies that use the gold standard in social science — on the effects of school choice programs similar to HB 1540 have found positive effects of the program on the test scores of public school students who don't participate. HB 1540 does not reduce funding for our public schools, there is overwhelming empirical evidence to show it benefits the academic performance of public school students, and it tells North Dakota students that no matter where they are educated, they matter to the state and are worth investing in.

I respectfully ask for a Do Pass.

Sincerely,



Catrin Wigfall
Policy Fellow
American Experiment North Dakota

March 17, 2025

To the Members of the Committee:

I am writing as a special education teacher in Des Lacs, North Dakota and as a parent of three children, all of who are currently or have been educated in the public school system. I have worked for over 20 years, most of which has been in a small, public school, with just a couple years in the larger, urban setting of Minot. In both schools, I have seen firsthand the unique challenges our students face. I have spent my career advocating for students with special needs, and it is from this perspective that I strongly oppose the bill currently before you, HB 1540.

This bill, if passed, would have a devastating impact on public education, particularly for students with disabilities. The proposal to divert public funds to private schools—often to pay for private tuition—raises serious concerns. Private schools are not required to meet the same standards of inclusion, transparency, or accountability as public schools. Most private institutions do not have the resources nor the legal obligation to provide the individualized support that students with special needs require. If these schools were mandated to provide the same level of support and accept all students, including those with disabilities, this conversation might be different. But the bill does not address this issue.

For students with disabilities, public schools are often the only place where they can receive the necessary support services, as detailed by their team in the IEP. Diverting funds from public education would significantly limit the resources available to schools, making it even harder to serve these students who already face numerous barriers to learning.

Particularly in the more rural settings, this bill would exacerbate the existing disparities in educational funding. Rural schools often rely more heavily on state funding, and any reduction in that funding would force local districts to either cut services or raise property taxes to cover the gap. This could have a devastating impact on special education programs, which require specialized staff, resources, and funding.

For these reasons, I urge you to reconsider this bill and protect public education for all students, especially those with special needs. Private schools may offer valuable services, but they are not held to the same standards or required to serve all students. Public schools, on the other hand, are required to educate every child, regardless of their background or ability, and should be the priority when it comes to the use of public funds.

Sincerely,

Tracy Bonn
Special Education Strategist
Des Lacs Burlington High School

March 17, 2025

Chairman Beard and Senate Education Committee Members,

On behalf of North Dakotans for Public Schools, I am submitting this testimony in opposition to HB 1540. North Dakotans for Public Schools is a growing, grassroots coalition North Dakotans who oppose, in any form, the use of public funds to subsidize private, parochial, homeschool, or any other non-public education. In addition to opposing all forms of voucher programs, this coalition of parents, grandparents, aunties, uncles, community-minded neighbors, and friends of public education recognizes and values the essential role that our public schools play in shaping and preparing our children's futures, in partnering with hard-working families, in strengthening our local economies and businesses, in the viability and sustainability of our communities, especially our most rural communities, and in our society as a whole.

Very practically speaking, you will choose where and to what levels the legislature will fund its obligations for the next biennium. While the legislature has been generous in the state's contributions to our public schools, and that generosity has both helped to fund crucial programs, services, and staff that support the educational needs of its students AND has provided significant and ongoing property tax relief, the needs of students and families being served by our public schools continue to grow, deepening the challenges that make the job of educators even harder. Your first and foremost priority in terms of dedicating funding to education should be to more adequately and equitably fund our state's public schools, and we respectfully ask that any funds that are available to fund voucher programs be dedicated to public schools.

On behalf of the members of North Dakotans for Public Schools, we stand united in opposition to HB 1540, request a Do Not Pass Recommendation from the Committee, and ask for your "No" votes as this bill moves throughout the legislative process.

Thank you for your service and for reaffirming your commitment to public schools this legislative session.

Erin Oban,
North Dakotans for Public Schools

https://www.ndforpublicschools.com/
https://www.facebook.com/ND4PublicSchools

To the Senate Education Committee,

I am writing to urge you to vote no to a bill that would use public dollars to offset private school costs, HB 1540.

North Dakota has worked to provide for a high-quality public education system, while being responsible with the way we spend this money. We need high-quality schools that are not competing for taxpayer dollars with private schools and what would possibly be a proliferation of "nonpublic" options seeking to establish themselves with the money set aside for these proposals. Public education provides open access to high quality education with the money provided by the state. If those who would like to select another "nonpublic" option do, it does not need to be with the state's money for the education that they have elected out of.

North Dakotans have opposed voucher programs in the past, and by changing the name to Educational savings account and disqualifying public school students, we're ignoring what has happened when this has come to the ballot. Educational savings accounts, scholarship programs, whatever the name, if they privilege "nonpublic" schools or make students ineligible because they attend a public school, they are essentially a voucher program.

While ESAs may make access to "nonpublic" choices easier for some, it may also raise the cost of tuition or any of these related educational services or expenses since the money is there. We've seen similar rises in costs when it comes to medications and health insurance: the prices go up to utilize the dollars that are in the market. The cost for "nonpublic" schools may seem more palatable when it's being offset by these ESAs, so the cost of providing these services may ultimately go up.

I want the best possible education for my child. As an educator in a public school, I see how hard my colleagues work each day to provide a high-quality education. This is our life. When we are dealing with public school facilities that need to be updated or curriculum to provide the best for our students, we seek to be responsible with the funding the state provides us. We are beholden to standards that "nonpublic" institutions are not, such as academic, access, and quality standards. Public funds should remain in public schools, where they serve all students, regardless of ability, background, or financial status. We know we need to do more for student mental health and to create competitive salaries for these professionals, and we can't be in competition for the funding that is currently being provided. As a state, we weren't ready to provide school lunches to 100% of public school students, though we did move in expanding that access. This speaks to concerns about the cost when those would have been available to every student who took advantage of the public education North Dakota is already committed to. To allow these ESAs would privilege certain students instead of working to provide for the vast majority North Dakota students.

We know that we want to do more for all students, and keeping public money for public education allows that choice for all families in our state. If they choose not to access public

education, that is a choice they're making for themselves, and the state shouldn't be subsidizing that choice when the state is providing high quality schools open to all and can hold those public institutions to account, ensuring the high-quality education that North Dakotans expect in all communities. Please vote no on HB 1540. Thanks for your time.

Sincerely,



Anthony McIntyre
English Instructor
Jamestown High School

Chairman Beard and Members of the Education Committee,

My name is Liz Tofteland and I am from Westhope, ND. I strongly urge a **Do Not Pass on HB 1540**.

North Dakota has a strong tradition and history of supporting its public school system. Supporting our public schools in North Dakota is a wise investment in supporting our most valuable resource - our children.

I am a product of a small, rural public school education. My children were the third generation to graduate from Westhope Public School. My oldest son is now heavily invested in our community as he begins his farming career. Having access to a public school in the community he has so heavily invested in will be pivotal to his long term success as a farmer. We do not have to travel too far from our town to see the effects of losing a school on the people and services provided in a town. To support the success of our next generation farmers, we need to only invest our taxpayer money into our public schools.

Taxpayer money needs to stay in our public schools. Taxpayer money should not subsidize private school tuition.

Sincerely,

Liz Tofteland
Westhope, ND

Members of the House Education Committee,

My name is Kelsey Mertens, and I am from Devils Lake, North Dakota. I am writing today to express my opposition to House Bill 1540, which aims to establish an education savings account program in our state.

While I understand that some families choose to enroll their children in private schools, it is crucial that we preserve and support our public education system. Public schools serve the majority of North Dakota's children, with approximately 118,513 students and 9,581 teachers across 511 schools. In contrast, private schools serve about 13,690 students with 990 teachers across 50 schools.

Diverting public funds to private education services, as proposed in HB 1540, could significantly reduce the resources available for public schools. This may lead to larger class sizes, reduced programs, and diminished support services for students. Additionally, private education providers may not be held to the same standards of accountability and transparency as public schools, potentially resulting in inconsistent educational quality and misuse of public funds.

Public education is essential for fostering social cohesion, providing equal opportunities, and preparing students to be active and informed citizens. By investing in our public schools, we ensure that every child has access to quality education, regardless of their background.

I urge you to oppose HB 1540 and to support initiatives that strengthen and invest in our public education system. Thank you for your time and consideration.

Sincerely,

Kelsey Mertens

NORTH DAKOTA Farmers Union

Contact:
Matt Perdue, Lobbyist
mperdue@ndfu.org I 701.952.0120

Testimony of
Matt Perdue
North Dakota Farmers Union
Regarding HB 1540
Senate Education Committee
March 17, 2025

Chairman Beard and members of the committee,

Thank you for the opportunity to submit testimony on House Bill No. 1540. My name is Matt Perdue, and I am submitting this testimony on behalf of North Dakota Farmers Union (NDFU) and its members. NDFU opposes HB 1540.

HB 1540 establishes a new Education Savings Account program. The program provides 40% of the state per-student funding to students who choose to attend private schools. The funds may be used to cover tuition and fees, textbooks and materials, computer equipment and other costs. However, the program is only available to students who attend non-public schools.

Our member-driven Policy & Action states, "We are opposed to public funding of private schools." While we support parents' right to choose the educational experience that best meets their child's needs, many rural families simply do not have viable access to private schools. Currently, there are only 60 private schools in North Dakota, most of which are urban. Public schools, on the other hand, serve 90% of the state's students including in most rural counties.

This legislation's exclusive focus on private education undercuts rural students' access to the new educational opportunities HB 1540 seeks to create. The best solution to improve educational opportunities for our students, especially our rural students, is to increase investment in public education.

We respectfully encourage a "Do Not Pass" recommendation on HB 1540. Thank you for your consideration.

Please vote “NO” on HB 1540! This is a voucher system for private schools in disguise. I agree with ND United as follows:

- Public funds should remain in public schools, where they serve **ALL** students **regardless of ability, background, or financial status.**
- This bill will take **critical funding** away from our public school system.
- **Most rural communities do not have non-public schools**, so families and schools in the bigger cities would receive the majority of the benefit from this bill.
- **Public schools are already struggling**. Some have buildings that need repair (Valley City and Oakes for example). If there is additional money available it should be spent on our public schools.

Dear members of the Senate Education Committee,

I would like to express my **opposition** to HB 1540. To use public funds for private education is contradictory by its nature. It is also hypocritical to deny improvements to public education experience (within the same legislative session) because of the cost, while simultaneously proposing to spend tens of millions of dollars on education elsewhere

This bill effectively redirects funds to private entities with little to no oversight. It is unfair for my tax dollars to support institutions that can selectively deny enrollment. It is my concern that private institutions will raise tuition to match the subsidy given to families by this action, or that dollars in this fund will be used fraudulently under the guise of “educational expenses”.

Labelling the bill as “school choice” is misleading - the choice of how to educate your child already exists. Public education is a gift for all citizens, paid for by the citizens. Parents have made the choice not to take this gift for reasons of their own and the right to make that choice is protected by the constitution. There is a cost to that decision, but it doesn’t mean they are treated unfairly. Even as they pay their property taxes, which helps pay for public education, the benefits they stand to gain from the fund far outweighs how much they contribute to public education. It is frustrating to hear so much about parents “paying their own way” as an excuse not to increase assistance to public schools – does that sentiment not apply here too?

Public education has been unfairly attacked with claims of indoctrination and the subtext of this bill further undermines it. I urge you to visit public schools firsthand to understand the real challenges educators face due to misguided legislation like this. The notion of widespread indoctrination is a fabrication—please see the reality for yourselves.

Scott Jezusko

My name is Amy Hirsch and I have children at Grace Lutheran School in Fargo. Grace has been in the community since 1948 and part of our family for the last 13 years.

My children have almost aged out of Grace Lutheran School, and my family does not stand to gain from the passage of this bill. But because I believe this is good for the communities in our state and for the quality of the young people who will live and work here in years to come, I am writing today to urge support for HB1540's establishment of an educational savings account program to fund qualified student expenses at nonpublic schools.

Nonpublic education is on the rise around the nation, and Fargo is no exception. Since 2020, Grace Lutheran School has experienced an almost 200% increase in enrollment.

All families choosing nonpublic schools in North Dakota pay for two children to attend school: their own and someone else's, which is a sacrifice we make in order for our children to have the best possible education. My oldest child has aged out of Grace Lutheran School and now attends a wonderful Fargo Public high school where she is thriving because she was supported in her faith, academics, her social and emotional skills, and her character at Grace Lutheran School.

Grace Lutheran School is accredited by the North Dakota Department of Public Instruction and National Lutheran School Accreditation and has an excellent working relationship with Fargo Public Schools. This is not about church and state. This is about public and nonpublic schools working together to make our communities the best they can be by offering families a choice in the ideal environment for their students to grow and thrive.

Thank you for your service in the North Dakota Legislature. Please vote yes on HB 1540.

Sincerely,

Amy Hirsch
Fargo, ND

North Dakota Small Organized Schools

Mr. Michael Heilman
Executive Director
3144 Hampton Street
Bismarck, ND 58504
mheilmanndsos@gmail.com
701-527-4621

Mr. Brandt Dick
President
1929 N. Washington Steet. Ste.A
Bismarck, ND 58501
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701-415-0441

Mr. Steven Heim
Vice-President
PO Box 256
Drake, ND 58736
Steve.heim@k12.nd.us
701-465-3732

Testimony in Opposition to HB 1540

Chairman Beard and members of Senate Education Committee

My name is Michael Heilman, I am the Executive Director of North Dakota Small Organized Schools. The 140+ schools that are members of NDSOS stand in opposition to HB 1540, which seeks to establish an Educational Savings Account (ESA) program for K-12 students attending non-public schools. While the bill is framed as an opportunity for school choice, it presents significant equity, oversight, and funding concerns that make it a poor fit for North Dakota.

One of the most pressing issues with HB 1540 is the lack of non-public school options in rural areas of North Dakota. The vast majority of students (116,598) in our state attend public schools by choice and those in rural areas do not have a choice. The students (7904) that attend non-public schools are also there by choice. Allocating taxpayer dollars to an ESA program will primarily benefit urban families who have already made the choice to attend non-public schools, while leaving rural students with no comparable choices. Four metro areas representing six communities, Bismarck/Mandan, Fargo/West Fargo, Minot and Dickinson make up the vast majority of non-public school enrollment. This creates a disparity that unfairly favors one segment of the population over another. There are currently fewer than twenty communities in North Dakota with a non-public school option and less than half of those offer a high school option.

Additionally, non-public schools that would receive ESA funds are not subject to the same level of oversight and regulation as public schools. If the state is going to fund non-public education, NDSOS strongly believes that the education providers must comply with all regulations and rules that public schools are required to follow, including accepting of all students, open records laws, open board meetings, participation in TFFR and all other state laws, rules and regulations that apply to public schools. Public funds should only be allocated to educational institutions that are required to meet the rigorous accountability and transparency measures that are applied to public schools.

Rather than diverting funds away from public education, we should focus on investing in our public schools, which serve the vast majority of North Dakota's children. HB 1540 threatens to undermine our public education system by redirecting scarce resources to unregulated institutions, disproportionately benefiting urban and affluent families while leaving rural and lower-income students behind.

Board of Directors

Region 1
Mr. Tim Holte, Supt. Stanley
Mr. Kris Kuehn, Supt. Ray

Region 2
Mr. Monte Mayer, Supt. Velva
Mr. Steven Heim, Anamoose & Drake

Region 3
Dr. Frank Schill, Supt. Edmore
Mr. David Wheeler, Supt. Manvel

Region 4
Mr. Brian Christopherson, Supt. New Salem
Mr. Russ Ziegler, Supt. Elgin-New Leipzig

Region 5
Mr. Rick Diegel, Supt. Kidder Co.
Mr. Brandt Dick, Supt. Burleigh County

Region 6
Mr. Mitch Carlson, Supt. LaMoure
Dr. Steven Johnson, Supt. Ft. Ranson

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.

The ESA that would be established by HB 1540 does little to serve the students in rural areas, directs funding to non-public schools without the same regulations of public schools and diverts critical funding away from public schools. I respectfully urge you to oppose HB 1540 and prioritize policies that strengthen our public schools for the benefit of all North Dakota students.

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

Dear Esteemed Members of the Senate Education Committee:

Thank you for accepting my testimony in support of HB 1540 related to the establishment of an Education Savings Account (ESA) program in North Dakota. My name is Marya Skaare, I am a resident of District 39, the mother of college- and school-age children, and the president of one of the non-profit, non-public school systems in Dickinson, ND. You may recall that during the last Legislative session, a school choice bill was passed for the first time ever in both the ND House and Senate, only to be vetoed when it hit the governor's desk with then Governor Burgum stating, "it falls short of meaningfully enhancing school choice." Your work this session has been encouraging, with the introduction of six school choice bills aimed to make those meaningful enhancements to school choice in our state. With the field narrowed to two—one passed by each the House and the Senate—the important work of each chamber now hearing, studying, and considering the merits of their counterpart's bill begins.

As you are aware, in January President Trump signed an executive order that aims to transform our nation's education system by promoting educational freedom through school choice. While the full impact of this order remains to be seen, the Tennessee General Assembly passed their own Education Freedom Act and a universal school choice bill in the Texas legislature passed the Senate and is now being considered in the House. Currently, North Dakota is the only state without either public charter schools or a non-public school choice program. Across the country, 68 choice programs operate in 33 states plus the District of Columbia and Puerto Rico. It is my hope that North Dakota will be the 34th state to enact a meaningful school choice program that is well-positioned in the educational freedom landscape.

Currently, non-public schools save the State of North Dakota at least $11,000/student not educated in the public schools—this equates to a collective impact on the State of over $88 million dollars in annual savings. This is an amount that the state would otherwise be obligated to provide if not for the existence of nonpublic school options. It is important to note, passage of legislation supporting choice in education is not a taking from public schools, it is a demonstration of the State's financial commitment to its constitutional responsibility to educate ALL North Dakota students. HB 1540 is not about systems, it is about students. ESAs empower parents to make important decisions about the education of their children by providing access to education funding that they contribute to as taxpayers in our state. One can easily argue that it is unjust for nonpublic school families to subsidize the cost of public schools with their tax dollars, while fully funding the cost of educating their own school-age children with zero help from the state. HB 1540 provides for a reasonable percentage of the current per pupil reimbursement rate to be available for students not using our public education system to help with their education expense.

I urge you to vote in favor of HB 1540, demonstrating to EVERY North Dakota student that our state values EVERY North Dakota student.

Thank you for your service to the State of North Dakota and your time spent on HB 1540 and SB 2400.

March 17, 2025

North Dakota Senate Education Committee
State Capitol
Bismarck, ND 58501

RE: Endorsement of HB 1540

Esteemed Members of the Senate Education Committee:

The North Dakota Constitution establishes a commitment to education to encourage all students across our state to grow in "the vital importance of truthfulness, temperance, purity, public spirit, and respect for honest labor of every kind." Our founders understood the importance of an educated constituency and its role in our state.

In conversations with teachers from different schools, public and private, the one comment that I hear most often is frustration with the thinking that there is one singular style of education that will impact all students. Their recognition of the dignity of students is a tribute to the effort they make in getting to know each individual learner and trying to figure out how to best teach each one. We encourage teachers to branch out and learn more about different approaches to teaching that make them more fluent in speaking the many languages of student education.

With those opportunities and investments in mind, it would seem short-sighted to then argue that there is one kind of school that best meets the needs of all students. We know there is no one-size-fits-all approach to education or educational settings. We can't have both sides of the coin; either different students thrive in different educational settings, or there is no need to encourage and support our teachers in learning other approaches because our Department of Public Instruction has figured out the one and only best way, and our students are thriving because of it.

(I would offer that our state assessment scores don't necessarily support that theory.)

This is why HB 1540 is important legislation. It allows parents to choose the school that best addresses the needs of the individual student. That opportunity is also attractive to families considering raising families in or relocating to North Dakota because they see our state recognizes their children are not one-size-fits-all cogs to set into a machine.

Good students and good families sustain our communities through a vision of education that truthfully recognizes there is no one-size-fits-all setting and that our entire state benefits from helping all children learn, no matter the classroom. If our state's goal for education is to strengthen our young people and strengthen the future of our state, it only makes sense to support HB 1540, recognizing that there are multiple ways in which that goal is accomplished.

Sincerely,

Jaimie Brunner
1604 Terrace Dr
Minot, ND 58703

To: Senate Education Committee

From: Stacy Benz, Public School Parent & Public School Superintendent

Re: Opposition to HB 1540

I am writing to you as a parent of a public-school student, tax paying citizen, and public-school Superintendent. **I urge you to oppose HB 1540.**

Any bill that supports public funds going to private schools is wrong. Private schools can pick and choose who they serve while public schools serve all students regardless of income, ability, and background. Students that live in rural areas do not even have the choice of going to a private school as they are only available in larger ND cities. Even though rural students do not have a choice, they are still losing out on public school funding due to education savings accounts.

It is the state's responsibility to use public funds for public schools. If taxpayer dollars are going to private school use in the form of ESA's, per-student funding is down considerably in public schools. This will equate to cuts in teaching staff, extracurriculars, and advanced courses.

Vote NO on HB 1540.

Chairman Beard and Senate Education Committee Members,

My name is Erin Oban, and I am here to express my personal opposition to HB 1540 as informed now by a bunch of different experiences and perspectives, some of which I want to share with you today.

- I grew up as a Class B kid in a small, rural town, where I attended the same K-12 school in the same solitary building (and even with one or two of the same teachers) as my parents.
- After graduating from high school, I attended one of our state's public universities for one semester and then transferred to a private university where I graduated with a teaching degree.
- Just before graduating, I completed my student teaching requirements at Marmot School, known to most of you as the Youth Correctional Center (YCC). After receiving my degree, I continued to serve as a substitute teacher at YCC before getting my first full-time teaching job as a junior high math and technology teacher at a parochial school here in Bismarck.
- In 2014, I was elected to the State Senate, representing District 35 in central Bismarck where, for 4 legislative sessions, I sat on this very committee and debated these very issues.
- After almost 8 years in the Senate, in 2022, I was appointed to serve as the State Director of USDA Rural Development, a federal agency that made more than 70 programs available to provide loans, loan guarantees, and grants available to our country's rural communities and residents and to the cooperatives and organizations that serve rural people and places. I learned a great deal about the unique needs and challenges that rural areas experience in terms of accessing capital, building out infrastructure, and scaling and delivering services that provide a quality of life that we would all want for ourselves, no matter our zip code.
- And lastly, for 8.5 years, I've been a mom to a now 2nd grader who has benefited tremendously from the village of family, friends, childcare providers, and private preschool and public elementary school teachers who have helped my husband and I with our best job and most important responsibility – being parents to him.

I'm a product of private and public schools. I've taught and been a substitute teacher in private and public schools. I've lived and worked in some of our smallest, rural communities and right here in one of our state's largest. In every one of those scenarios, there were great, good, average, not so great, and even a couple pretty terrible teachers, leaders, kids, and parents. In some, resources and opportunities and supports were scarce

and limited. In others, they were plentiful. Some of the outcomes were incredible. Some of them, not so much.

I share these perspectives and experiences because they've all helped shape my opinion on bills like HB 1540.

Just as I have throughout my own educational path and now in guiding our child's, I wholly support school choice. I've always supported parents and families who, for whatever their reasons, choose public, private, parochial, or homeschool education for their children. What I do not support is the government and taxpayers picking up the tab for people who choose not to use the publicly-funded option. And honestly, and especially after serving in the legislature, I'm very much surprised by how many legislators seem to believe that it is somehow the government's responsibility to create and fund an entitlement program to subsidize the personal responsibilities and individual choices of others, because that's what a voucher program is and does.

My family doesn't believe the government owes us anything, claim that we're saving the government money, or expect the government to pay for our private vehicle if we choose not to use the public transportation system.

My family doesn't believe the government owes us anything, claim that we're saving the government money, or expect the government to pay for our backyard swingset or a pool or private golf club membership if we choose not to use public parks, pools, and golf courses.

My family doesn't believe the government owes us anything, claim that we're saving the government money, or expect the government to pay for us to hire private security or to pave a private road if we feel our local community's law enforcement and streets departments are insufficient.

Why, if my family chooses not to use the public schools provided to us and funded by all of us, whether we have children or not, should we believe the government owes us anything, should we claim that we're saving the government money, or should we expect the government to pay for the costs associated with non-public school tuition.

The responsibility of my family and all families is to make the best choices we can based on what we can afford and what opportunities we have available to us. Our state's responsibility is to fund public education.

Please uphold your responsibility, and we will continue to uphold ours by paying for our own choices and decisions. Thank you for your service. I am sincerely grateful.

Erin Oban
Bismarck, ND

Concerning HB 1540

I am Jeffrey Quam of 1555 Sundance drive S Fargo. I urge you to vote no on this bill because it is not cheap and, it puts poor student families at a disadvantage especially in rural areas where public schools are struggling. Please consider that our Public system is the backbone of our primary educational system.

Opposition to HB1540

My name is Leslie Bieber, and I am the Superintendent of Alexander Public School District. I am here to testify in strong opposition to HB1540.

Public schools operate within a strictly regulated financial structure, ensuring that every dollar is accounted for and spent with full transparency. In Alexander Public School District, after the state funding formula is applied, we receive $2,799 per student to educate every child, regardless of their background, learning abilities, or challenges. HB1540 proposes to give a private school $5,536 per student from state funds, nearly double. And these private institutions will not be subject to the same oversight, open meeting laws, or accountability standards.

Supporters of this bill argue that private school families pay taxes just like everyone else and should have public funding follow them to their private institution of choice. But that is not how public funding works, the dollar does not follow the taxpayer.

By this logic, if I pay taxes in my city, which funds public parks, but I choose to play basketball at the YMCA instead, should the state pay for 50% of my YMCA membership? If I pay property taxes that fund public libraries but choose to buy books at a private bookstore, should my taxes reimburse me? The answer is **NO**. Public funds support public services that exist for the benefit of all citizens, not selective individual choices.

If a private school wants public money, it should be required to:

1. Accept all students, just as public schools do.
2. Follow all open meeting and public records laws that public schools must follow.
3. Be fully accountable for how taxpayer dollars are spent.

I strongly urge you to vote NO on HB 1540 unless it guarantees full financial transparency, equal admission policies, and the same accountability standards for all schools receiving public funds.

Thank you for your time and for considering the long-term impact this bill will have on public education in North Dakota.

Opposition to HB1540

My name is Cameron Wahlstrom and I serve as the elected School Board President of the Alexander Public School District. As both an elected official and a taxpayer, I am here to voice my strong opposition to House Bill 1540. I have serious concerns about the fundamental fairness and transparency issues raised by this bill.

As a public school district, we operate with full transparency because we are funded by public tax dollars. Our budgets, expenditures, policies, and decisions are accessible to the public. Our school board meetings are open, and our financial records are available for public scrutiny. This accountability is essential because we are entrusted with taxpayer money to educate the children of our communities.

I also serve as a board member for McKenzie Electric Cooperative. While this cooperative is not funded by public tax dollars, it ensures financial transparency for its members by law. If an organization funded privately has to have open financials to prove it is a nonprofit, it is entirely unacceptable that private schools benefiting from taxpayer dollars should not be held to the same standard.

This bill fundamentally contradicts long-standing tax law principles. Public funds require public oversight. If taxpayer money is allocated to any educational institution, whether public, private, or otherwise, it must come with full transparency and accountability measures.

As a public school district, we strongly believe that every student deserves a high-quality education, and we respect parental choice in education. However, that choice should not come at the expense of transparency and fairness. If a private school wants to receive public money, it should abide by the same rules as public schools.

I urge this committee to reject HB 1540 unless it includes clear provisions requiring open financial records, open meetings, and accountability standards for all participating schools. Thank you for your time and consideration.

2025 SENATE STANDING COMMITTEE MINUTES

Education Committee
Room JW216, State Capitol

HB 1540
4/1/2025

Relating to an education savings account program; to provide an appropriation; and to provide an effective date.

9:02 a.m. Chairman Beard called the hearing to order.

Members Present: Chairman Beard; Vice-Chairman Lemm; Senators: Axtman, Boschee, Gerhardt, and Wobbema.

Discussion Topics:

- Eligible student clarified
- No means test
- Participating school clarification
- Approved by administrator

9:02 a.m. Senator Wobbema presented to the committee the possible amendment by the bill sponsor, Representative Koppelman, District #16, testimony #44516.

9:20 a.m. Senator Axtman had questions regarding Department of Public Instruction's role.

9:35 a.m. Senator Gerhardt had questions regarding who's responsible to notify the Administrator when the student moves/graduates.

9:53 a.m. Adam Tescher, School Finance Officer Department of Public Instruction, answered questions from the committee.

9:56 a.m. Kelvin Hullet, Senior Vice President Chief Business Development Officer Bank of North Dakota, answered questions from the committee.

10:10 a.m. Representative Koppelman, District #16, answered questions from the committee.

10:29 a.m. Chairman Beard closed the hearing.

Susan Helbling, Committee Clerk

25.1055.04001
Title.

Prepared by the Legislative Council staff for Representative Koppelman
March 31, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO SECOND ENGROSSMENT

REENGROSSED HOUSE BILL NO. 1540

Introduced by

Representatives Koppelman, Hauck, J. Johnson, Marschall, Morton, Rohr, Steiner

Senators Clemens, Cory, Gerhardt, Wobbema, Boehm

A BILL for an Act to create and enact a new chapter to title 15.1 of the North Dakota Century Code, relating to an education savings account program; to provide an appropriation; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new chapter to title 15.1 of the North Dakota Century Code is created and enacted as follows:

Definitions.

As used in this chapter:

1. "Administrator" means an organization registered by the secretary of state to do business in North Dakota and designated by the Bank of North Dakota to assist in the implementation of this chapter.
2. "Department" means the department of public instruction.
3. "Education service provider" means an individual or organization approved to provide qualified education services. The term does not include a participating school.
4. "Eligible postsecondary institution" means a community college, an accredited university, or an accredited private postsecondary institution.
5. "Eligible student" means:
   a. ~~An~~ an elementary or secondary student who is a resident of this state and is eligible to attend a public school; ~~or~~

~~b. A student who has received a scholarship under the education savings account program until the student graduates high school or reaches twenty-one years of age~~, regardless of household income.

6. "Parent" means a resident of this state who is a parent, guardian, custodian, or other person with the authority to act on behalf of the child.

7. "Participating school" means any nonpublic school approved under section 15.1-06-06.1 providing education to elementary students, secondary students, or both ~~that~~, which charges tuition and has notified the administrator of the school's intention to participate in the education savings account program and comply with the education savings account program requirements under this chapter and related administrative rules.

8. "Private tutoring" means ~~qualified~~professional tutoring services approved by the administrator to receive payment under this chapter.

~~Account deposits -~~ Parent agreement - Qualified expenses ~~- Enrollment~~.

1. ~~Beginning with the 2026-27 school year, the Bank of North Dakota annually shall deposit into each education savings account fifty percent of the statewide average amount distributed per student under subsection 5 of section 15.1-27-04.1 for the previous year.~~

2. ~~The department shall give priority access to the education savings account program to the sibling of a student already enrolled in the education savings account program.~~

3. A parent of an eligible student qualifies for ~~a state grant to the child's~~an education savings account for the child if the parent signs an agreement with the department promising:

   a. To provide an education for the eligible student in at least the subjects of ~~reading, grammar~~English language arts, mathematics, social studies, and science;

   b. Not to enroll the parent's eligible student in a public school or supervise home education under chapter 15.1-23 for the eligible student;

   c. To use education savings account program funds solely for qualified expenses under this chapter;

   d. To comply with the requirements outlined in this chapter and any related rules adopted by the Bank of North Dakota;

e. If the participating student is a child with a disability, ~~to acknowledge~~ the parent has received information from the department and understands participation in the education savings account program qualifies as a parental placement of the parent's child under the Individuals with Disabilities Education Act [Pub. L. 108-446; 20 U.S.C. 1412(a)(10)(A)]; and

f. To notify the department if the parent's ~~student~~child terminates participation in the education savings account program ~~and enrolls in a public school~~.

~~4.~~2. A parent participating in the education savings account program ~~shall~~may use the funds deposited in the eligible student's account for any of the following qualifying expenses to educate the eligible student:

a. Tuition and fees at a participating school;

b. A textbook required by a participating school;

c. Payment for private tutoring or to another educational service provider;

d. Payment for purchase of curriculum;

e. Tuition or fees for a nonpublic online learning program;

f. Fees for ~~national norm-referenced examinations,~~ advanced placement examinations or similar courses, and any examinations related to college or university admission;

g. Computer hardware, software, or other technological device that is used solely for a student's educational needs and approved by the department, administrator, or a licensed physician, provided hardware purchased with education savings account funds may not be resold within ~~one year~~three years of purchase;

h. Reasonable fees for transportation paid to a fee-for-service transportation provider for the student to travel to and from an education service provider;

i. Tuition and fees at an eligible postsecondary institution; and

j. A textbook required for college or university courses.

~~5.~~3. A participating school, private tutor, eligible postsecondary institution, or other education service provider may not refund, rebate, or share a student's grant with a parent or ~~the~~ student in any manner. Any refund must be provided to the administrator.

~~6.~~4. A parent may make a payment for the cost of educational programs and services not covered by the funds in the child's account.

~~7.~~

Bank of North Dakota - State treasurer - Duties - Transfer.

1. The Bank of North Dakota shall:

   a. Beginning with the 2026-27 school year, annually deposit into each education savings account fifty percent of the statewide average amount distributed per student under subsection 5 of section 15.1-27-04.1 for the previous year.

   b. Qualify a private financial management firm to be an administrator, managing and administering education savings accounts.

   c. Establish the role and responsibilities of an administrator.

   d. Conduct or contract for the auditing of accounts and, at a minimum, conduct random audits of accounts on an annual basis. An administrator may conduct the audits. The Bank of North Dakota may determine a parent of an eligible student is ineligible for the education savings account program if the parent substantially misuses the funds in the account.

   e. Refer cases of substantial misuse of funds to law enforcement for investigation, if evidence of fraudulent use of an account is obtained.

   f. Make deposits into eligible students' education savings accounts on a quarterly basis.

   g. Adopt rules and procedures under chapter 28-32 for the administration of the education savings account program, as necessary.

   h. Upon a participating student's graduation from high school or termination of participation in the education savings account program, close the participating student's account and transfer any remaining money in the account to the general fund in the state treasury.

2. The Bank of North Dakota may bar a participating school or education service provider from the education savings account program if the administrator determines the participating school or education service provider has:

   a. Routinely failed to comply with the accountability standards established under this chapter; or

   b. Failed to provide a participating student with the educational services funded by the education savings account.

3. If the Bank of North Dakota bars a participating school or education provider from the education savings account program, the administrator shall notify eligible students and parents of the decision as quickly as possible. A parent may appeal a decision of the Bank of North Dakota under chapter 28-32.

4. The state treasurer annually shall transfer the funds required for education savings accounts from the general fund to the Bank of North Dakota for quarterly deposit in each education savings account.

~~8.~~5. Funds, not to exceed twenty-five percent of the amount under subsection 1, not expended over the course of a school year may be carried forward for use in the following school year for a child who remains in the education savings account program. If a parent removes a child from the education savings account program before the end of the school year, any remaining funds from that school year must be returned to the state and be allocated to fund other accounts. A student may transfer to another nonpublic school ~~or home school~~ and retain the funds in the education savings account.

~~9.~~6. Funds deposited in an education savings account do not constitute taxable income to the parent or the education savings account student.

7. The superintendent of public instruction may apply to a federal agency for additional funds to support this program. If necessary to become eligible for the receipt of federal funds, the Bank of North Dakota, with the superintendent of public instruction, shall adopt rules that supersede any conflicting law under this chapter.

~~**Bank of North Dakota - Administrator - Administration.**~~

~~1. The Bank of North Dakota shall:~~

~~a. Qualify private financial management firms to manage and administer education savings accounts.~~

~~b. Conduct or contract for the auditing of accounts and, at a minimum, conduct random audits of accounts on an annual basis. The Bank of North Dakota may make a parent of an eligible student ineligible for the education savings account program if the parent substantially misuses the funds in the account.~~

~~c. Refer cases of substantial misuse of funds to law enforcement for investigation if evidence of fraudulent use of an account is obtained.~~

~~d. Make payments to eligible students' education savings accounts on a quarterly basis.~~

~~e. Adopt rules and procedures as necessary for the administration of the education savings account program.~~

~~f. Upon the student's graduation from high school, the superintendent of public instruction shall close the student's account and transfer any remaining money in the account to the general fund in the state treasury.~~

~~2. The administrator shall provide to the parent of a participating student a written explanation of the allowable uses of education saving accounts, the responsibilities of the parent, and the duties of the administrator.~~

Participating schools - Department - Accountability standards.

1. ~~To ensure students are treated fairly and kept safe, each participating nonpublic school shall:~~

~~a. Comply with all health and safety laws or codes that apply to nonpublic schools;~~

~~b. Obtain certification of approval under section 15.1-06-06.1;~~

~~c. Hold a valid occupancy permit if required by the school's municipality; and~~

~~d. Certify the school complies with the nondiscrimination policies under [42 U.S.C. 1981].~~

~~2. To ensure funds are spent appropriately, a~~A participating school shall:

a. Provide a parent with a receipt for all qualifying expenses at the school.

b. ~~Demonstrate the school's financial viability, if the school is to receive fifty thousand dollars or more during the school year, by filing with the administrator before the start of the school year:~~

~~(1) A surety bond payable to the state in an amount equal to the aggregate amount of the funds from education savings accounts expected to be paid during the school year from students admitted at the participating school; or~~

~~(2) Financial information demonstrating the school has the ability to pay an aggregate amount equal to the amount of the funds from education savings accounts expected to be paid during the school year to students admitted to the participating school.~~

~~3. To allow parents and taxpayers to measure the achievements of the education savings account program:~~

~~a. Parents shall ensure:~~Refund any payment for which a good or service was not provided to the student due to a participating student terminating participation in the education savings account program. A tuition payment must be refunded pro rata determined by the school days remaining in the term for which the tuition was paid. A refund must be paid to the administrator.

~~. (1) The~~

c. Ensure the eligible student ~~annually~~ takes the state ~~achievement tests~~assessments, or other nationally norm-referenced tests~~, or equivalent tests that~~, as determined by the parent, which measure learning gains in mathematics and English language arts, and provide for value-added assessment. If a parent selects the state ~~achievement test~~assessment, the department shall pay associated costs and materials;

~~(2) The~~

d. Ensure the results of the tests are provided to the department ~~or an organization chosen by the state on an annual basis:~~

~~(3) The student information is reported in a way that allows the department to aggregate data by grade level, gender, family income level, and race; and~~

~~(4) The~~in accordance with section 15.1-21-09; and

e. Ensure the department~~, or an organization chosen by the department,~~ is informed of ~~the eligible~~a participating student's graduation from high school or a participating student's termination of participation in the education savings account program.

~~b.~~2. The department, or an organization chosen by the department, shall:

~~(1)~~a. Ensure compliance with all student privacy laws~~;~~.

~~(2)~~b. Collect all test results~~;~~.

~~(3)~~c. Provide the test results, associated learning gains, and graduation rates to the public on the department's website after the third year of test and graduation-related data collection. The findings must be aggregated by the student's grade level, gender, family income level, number of years of participation in the

education savings account program, and race. Data aggregation related to assessments may be limited to the state assessment, as determined necessary by the department~~;~~.

~~(4)~~d. Provide rates for high school graduation~~, college attendance, and college graduation~~ for participating students to the public on the department's website after the third year of test and test-related data collection~~; and~~.

~~(5)~~e. Administer an annual parental satisfaction survey requesting each parent of a student receiving an education savings account program grant indicate the number of years the child has participated in the education savings account program and express the parent's:

~~(a)~~ (1) Satisfaction with the education savings account program; and

~~(b)~~ (2) Opinions on other topics, items, or issues that may indicate the effectiveness of the education savings account program.

~~4.~~3. A participating nonpublic school or other education service provider is autonomous and not an agent of the state or federal government and, except as provided under this chapter and in related rules, the:

a. ~~The department~~Department may not regulate the educational program of a participating nonpublic school or education service provider that accepts funds from an education savings account~~, except as provided under this chapter and chapter 15.1-23~~;.

b. ~~The creation~~Creation of the education savings account program does not expand the regulatory authority of the state, its officers, or a school district to impose an additional regulation of nonpublic schools or education service providers beyond the regulations necessary to enforce the requirements of the education savings account program~~; and~~.

c. Participating nonpublic schools and education service providers must have the freedom to provide for the educational needs of the school's students without governmental control.

~~Department of public instruction -~~ Administrator - Duties.

~~1.~~ The administrator shall:

~~a.~~1. Ensure eligible students and parents are informed annually of the schools that will be participating in the education savings account program.

~~b.~~2. Create a standard form a parent of an eligible student may submit to establish a student's eligibility for the education savings account program. The administrator shall ensure the application is readily available to interested families through various sources, including the department's website.

~~c.~~3. Accept applications on a year-round basis and shall approve applications in a reasonable time frame.

~~d.~~4. Execute a multimedia marketing program targeting eligible families, especially those below the state's median household income, informing the families about the education savings account program and how to apply.

~~e.~~5. Establish a web and phone-based support system providing parents with education savings account program application support and ongoing account maintenance support.

~~2. The department may bar a participating school or education service provider from the education savings account program if the department determines the participating school or education provider has:~~

~~a. Routinely failed to comply with the accountability standards established under this chapter; or~~

~~b. Failed to provide the eligible student with the educational services funded by the education savings account.~~

~~3. If the department bars a participating school or education provider from the education savings account program, the department shall notify eligible students and parents of the decision as quickly as possible. A parent may appeal a decision of the department under chapter 28-32.~~

~~4. The department shall adopt rules and procedures as necessary for the administration of the education savings account program.~~

6. Provide to the parent of a participating student a written explanation of the allowable uses of education savings accounts, the responsibilities of the parent, and the duties of the administrator.

7. Ensure the department is informed of an eligible student's graduation from high school.
8. Coordinate with the Bank of North Dakota to develop procedures to implement the program in accordance with this chapter and related rules.
9. Upon request, determine whether an expense is allowable.
10. Establish a procedure for a participating school to provide data to the department as required under this chapter.

School districts of residence - Duties.

The school district of residence:

1. Shall provide a participating school or education service provider that has admitted an eligible student under this chapter with a complete copy of the student's school records, while complying with the Family Educational Rights and Privacy Act of 1974 [20 U.S.C. Section 1232(g)].
2. May provide transportation for an eligible student to and from the participating school or education service provider under the same conditions as the school district of residence is required to provide transportation for other resident students to nonpublic schools. The school district of residence qualifies for state transportation aid for each student transported.

SECTION 2. APPROPRIATION - BANK OF NORTH DAKOTA - EDUCATION SAVINGS ACCOUNT PROGRAM. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $40,000,000, or so much of the sum as may be necessary, to the Bank of North Dakota for the purpose of funding the education savings account program beginning in the school year 2026-27, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 3. EFFECTIVE DATE. Section 1 of this Act becomes effective on July 1, 2026.

2025 SENATE STANDING COMMITTEE MINUTES

Education Committee
Room JW216, State Capitol

HB 1540
4/2/2025

Relating to an education savings account program; to provide an appropriation; and to provide an effective date.

10:02 a.m. Chairman Beard called the hearing to order.

Members Present: Chairman Beard; Vice-Chairman Lemm; Senators: Axtman, Boschee, Gerhardt, and Wobbema.

Discussion Topics:

- Income not a consideration
- Eligible student clarification
- Clarification of qualifications
- Clarification of expenses and duties

10:02 a.m. Senator Wobbema presented to the committee a possible amendment, submitted testimony #44560.

10:15 a.m. Senator Wobbema moved Amendment LC #25.1055.04004.

10:15 a.m. Senator Gerhardt seconded the motion.

Senators	Vote
Senator Todd Beard	Y
Senator Randy D. Lemm	Y
Senator Michelle Axtman	N
Senator Josh Boschee	N
Senator Justin Gerhardt	Y
Senator Mike Wobbema	Y

Motion Passed 4-2-0

10:21 a.m. Senator Wobbema moved Do Pass as amended and rerefer to Appropriations.

10:21 a.m. Senator Gerhardt seconded the motion.

Senators	Vote
Senator Todd Beard	Y
Senator Randy D. Lemm	Y
Senator Michelle Axtman	N
Senator Josh Boschee	N
Senator Justin Gerhardt	Y
Senator Mike Wobbema	Y

Motion Passed 4-2-0

Senator Wobbema will carry the bill.

10:24 a.m. Chairman Beard closed the hearing.

Susan Helbling, Committee Clerk

25.1055.04004
Title.05000

Adopted by the Education Committee

April 2, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

VC 4/2/25
1 of 11

PROPOSED AMENDMENTS TO SECOND ENGROSSMENT

REENGROSSED HOUSE BILL NO. 1540

Introduced by

Representatives Koppelman, Hauck, J. Johnson, Marschall, Morton, Rohr, Steiner

Senators Clemens, Cory, Gerhardt, Wobbema, Boehm

A BILL for an Act to create and enact a new chapter to title 15.1 of the North Dakota Century Code, relating to an education savings account program; to provide an appropriation; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new chapter to title 15.1 of the North Dakota Century Code is created and enacted as follows:

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4. "Eligible postsecondary institution" means a community college, an accredited university, or an accredited private postsecondary institution.
5. "Eligible student" means:
   a. ~~An~~ an elementary or secondary student who is a resident of this state and is eligible to attend a public school~~; or~~

~~b. A student who has received a scholarship under the education savings account program until the student graduates high school or reaches twenty-one years of age, regardless of household income.~~

6. "Parent" means a resident of this state who is a parent, guardian, custodian, or other person with the authority to act on behalf of the child.

7. "Participating school" means any nonpublic school providing education to elementary students, secondary students, or both ~~that~~, which charges tuition and has notified the administrator of the school's intention to participate in the education savings account program and comply with the education savings account program requirements under this chapter and related administrative rules.

8. "Private tutoring" means ~~qualified~~professional tutoring services approved by the administrator to receive payment under this chapter.

~~Account deposits - Parent agreement - Qualified expenses - Enrollment.~~

1. ~~Beginning with the 2026-27 school year, the Bank of North Dakota annually shall deposit into each education savings account fifty percent of the statewide average amount distributed per student under subsection 5 of section 15.1-27-04.1 for the previous year.~~

~~2. The department shall give priority access to the education savings account program to the sibling of a student already enrolled in the education savings account program.~~

~~3.~~ A parent of an eligible student qualifies for ~~a state grant to the child's~~an education savings account ~~child~~for the student if the parent signs an agreement with the department promising:

a. To provide an education for the eligible student in at least the subjects of ~~reading, grammar~~English language arts, mathematics, social studies, and science;

b. Not to enroll the parent's eligible student in a public school or supervise home education under chapter 15.1-23 for the eligible student;

c. To use education savings account program funds solely for qualified expenses under this chapter;

d. To comply with the requirements outlined in this chapter and any related rules adopted by the Bank of North Dakota; and

e. If the participating student is a child with a disability, ~~to acknowledge~~ the parent has received information from the department and understands participation in the education savings account program qualifies as a parental placement of the parent's child under the Individuals with Disabilities Education Act [Pub. L. 108-446; 20 U.S.C. 1412(a)(10)(A)]~~; and~~

~~f. To notify the department if the parent's student terminates participation in the education savings account program and enrolls in a public school.~~

~~4.~~2. A parent participating in the education savings account program ~~shall~~may use the funds deposited in the eligible student's account for any of the following qualifying expenses to educate the eligible student:

a. Tuition and fees at a participating school;

b. A textbook required by a participating school;

c. Payment for private tutoring or to another educational service provider;

d. Payment for purchase of curriculum;

e. Tuition or fees for a nonpublic online learning program;

f. Fees for ~~national norm-referenced examinations,~~ advanced placement examinations or similar courses, and any examinations related to college or university admission;

g. Computer hardware, software, or other technological device that is used solely for a student's educational needs and approved by the ~~department or a licensed physician~~administrator, provided hardware purchased with education savings account funds may not be resold within ~~one year~~three years of purchase;

h. Reasonable fees for transportation paid to a fee-for-service transportation provider for the student to travel to and from an education service provider;

i. Tuition and fees at an eligible postsecondary institution; and

j. A textbook required for college or university courses.

~~5.~~3. A participating school, private tutor, eligible postsecondary institution, or other education service provider may not refund, rebate, or share a student's grant with a parent or ~~the~~ student in any manner. Any refund must be provided to the administrator who shall deposit the funds into the appropriate student's education savings account.

~~6.~~4. A parent may make a payment for the cost of educational programs and services not covered by the funds in the child's account.

~~7.~~

Bank of North Dakota - State treasurer - Duties - Transfer.

1. The Bank of North Dakota shall:
   a. Beginning with the 2026-27 school year, annually deposit into each education savings account fifty percent of the statewide average amount distributed per student under subsection 5 of section 15.1-27-04.1 for the previous year.
   b. Qualify an administrator to manage and administer education savings accounts.
   c. Establish the role and responsibilities of an administrator.
   d. Conduct or contract for the auditing of accounts and, at a minimum, conduct random audits of accounts on an annual basis. An administrator may conduct the audits. The Bank of North Dakota may determine a parent of an eligible student is ineligible for the education savings account program if the parent substantially misuses the funds in the account.
   e. Refer cases of substantial misuse of funds to law enforcement for investigation, if evidence of fraudulent use of an account is obtained.
   f. Make deposits into eligible students' education savings accounts on a quarterly basis.
   g. Adopt rules and procedures under chapter 28-32 for the administration of the education savings account program, as necessary.
   h. Upon a participating student's graduation from high school or termination of participation in the education savings account program, close the participating student's account and transfer any remaining money in the account to the general fund in the state treasury.
2. The Bank of North Dakota may bar a participating school or education service provider from the education savings account program if the administrator determines the participating school or education service provider has:
   a. Routinely failed to comply with the accountability standards established under this chapter; or

b. Failed to provide a participating student with the educational services funded by the education savings account.

3. If the Bank of North Dakota bars a participating school or education provider from the education savings account program, the administrator shall notify eligible students and parents of the decision as quickly as possible. A parent may appeal a decision of the Bank of North Dakota under chapter 28-32.

4. The state treasurer annually shall transfer the funds required for education savings accounts from the general fund to the Bank of North Dakota for quarterly deposit in each education savings account.

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~~9.~~6. Funds deposited in an education savings account do not constitute taxable income to the parent or the education savings account student.

7. The superintendent of public instruction may apply to a federal agency for additional funds to support this program. These funds must provide an additional benefit to each participating student's education savings account. If necessary to become eligible for the receipt of federal funds, the Bank of North Dakota, with consideration of advice provided by the superintendent of public instruction, shall adopt rules that supersede any conflicting law under this chapter.

~~**Bank of North Dakota - Administrator - Administration.**~~

~~1. The Bank of North Dakota shall:~~

~~a. Qualify private financial management firms to manage and administer education savings accounts.~~

~~b. Conduct or contract for the auditing of accounts and, at a minimum, conduct random audits of accounts on an annual basis. The Bank of North Dakota may make a~~

~~parent of an eligible student ineligible for the education savings account program if the parent substantially misuses the funds in the account.~~

~~c. Refer cases of substantial misuse of funds to law enforcement for investigation if evidence of fraudulent use of an account is obtained.~~

~~d. Make payments to eligible students' education savings accounts on a quarterly basis.~~

~~e. Adopt rules and procedures as necessary for the administration of the education savings account program.~~

~~f. Upon the student's graduation from high school, the superintendent of public instruction shall close the student's account and transfer any remaining money in the account to the general fund in the state treasury.~~

~~2. The administrator shall provide to the parent of a participating student a written explanation of the allowable uses of education saving accounts, the responsibilities of the parent, and the duties of the administrator.~~

Participating schools - Department - Accountability standards.

1. ~~To ensure students are treated fairly and kept safe, each~~A participating ~~nonpublic~~ school shall:

   a. Comply with all health and safety laws or codes that apply to nonpublic schools~~;~~.

   b. Obtain certification of approval under section 15.1-06-06.1~~;~~.

   c. Hold a valid occupancy permit if required by the school's municipality~~; and~~.

   d. Certify the school complies with the nondiscrimination policies under [42 U.S.C. 1981].

~~2. To ensure funds are spent appropriately, a participating school shall:~~

   ~~a.~~e. Provide a parent with a receipt for all qualifying expenses at the school.

   ~~b. Demonstrate the school's financial viability, if the school is to receive fifty thousand dollars or more during the school year, by filing with the administrator before the start of the school year:~~

      ~~(1) A surety bond payable to the state in an amount equal to the aggregate amount of the funds from education savings accounts expected to be paid during the school year from students admitted at the participating school; or~~

~~(2) Financial information demonstrating the school has the ability to pay an aggregate amount equal to the amount of the funds from education savings accounts expected to be paid during the school year to students admitted to the participating school.~~

~~3. To allow parents and taxpayers to measure the achievements of the education savings account program:~~

~~a. Parents shall ensure:~~

~~(1) The~~

f. Refund any payment for which a good or service was not provided to the student due to a participating student terminating participation in the education savings account program. A tuition payment must be refunded pro rata determined by the school days remaining in the term for which the tuition was paid. A refund must be paid to the administrator who shall deposit the funds into the appropriate student's education savings account.

g. Ensure the eligible student ~~annually~~ takes the state ~~achievement tests~~assessments, or other nationally norm-referenced tests~~, or equivalent tests that~~, which measure learning gains in mathematics and English language arts, and provide for value-added assessment. If a parent selects the state ~~achievement test~~assessment, the department shall pay associated costs and materials~~:~~.

~~(2) The~~

h. Ensure the results of the tests are provided to the department ~~or an organization chosen by the state on an annual basis:~~

~~(3) The student information is reported in a way that allows the department to aggregate data by grade level, gender, family income level, and race; and~~

~~(4) The department, or an organization chosen by the department, is informed of the eligible student's graduation from high school.~~

~~b.~~2. The department, or an organization chosen by the department, shall:

~~(1)~~a. Ensure compliance with all student privacy laws~~;~~.

~~(2)~~b. Collect all test results~~;~~.

~~(3)~~c. Provide the test results, associated learning gains, and graduation rates to the public on the department's website after the third year of test and graduation-related data collection. The findings must be aggregated by the student's grade level, gender, family income level, number of years of participation in the education savings account program, and race~~:~~. Data aggregation related to assessments may be limited to the state assessment, as determined necessary by the department.

~~(4)~~d. Provide rates for high school graduation~~, college attendance, and college graduation~~ for participating students to the public on the department's website after the third year of test and test-related data collection~~; and~~

~~(5) Administer an annual parental satisfaction survey requesting each parent of a student receiving an education savings account program grant indicate the number of years the child has participated in the education savings account program and express the parent's:~~

~~(a) Satisfaction with the education savings account program; and~~

~~(b) Opinions on other topics, items, or issues that may indicate the effectiveness of the education savings account program.~~

~~4.~~3. A participating nonpublic school or other education service provider is autonomous and not an agent of the state or federal government and, except as provided under this chapter and in related rules, the:

a. ~~The department~~Department may not regulate the educational program of a participating nonpublic school or education service provider that accepts funds from an education savings account~~, except as provided under this chapter and chapter 15.1-23~~;

b. ~~The creation~~Creation of the education savings account program does not expand the regulatory authority of the state, its officers, or a school district to impose an additional regulation of nonpublic schools or education service providers beyond the regulations necessary to enforce the requirements of the education savings account program; and

c. Participating nonpublic schools and education service providers must have the freedom to provide for the educational needs of the school's students without governmental control.

~~Department of public instruction -~~ **Administrator - Duties.**

~~1.~~ The administrator shall:

~~a.~~1. Ensure eligible students and parents are informed annually of the schools that will be participating in the education savings account program.

~~b.~~2. Create a standard form a parent of an eligible student may submit to establish a student's eligibility for the education savings account program. The administrator shall ensure the application is readily available to interested families through various sources, including the department's website.

~~c.~~3. Accept applications on a year-round basis and shall approve applications in a reasonable time frame.

~~d.~~4. Execute a multimedia marketing program targeting eligible families, especially those below the state's median household income, informing the families about the education savings account program and how to apply.

~~e.~~5. Establish a web and phone-based support system providing parents with education savings account program application support and ongoing account maintenance support.

~~2. The department may bar a participating school or education service provider from the education savings account program if the department determines the participating school or education provider has:~~

~~a. Routinely failed to comply with the accountability standards established under this chapter; or~~

~~b. Failed to provide the eligible student with the educational services funded by the education savings account.~~

~~3. If the department bars a participating school or education provider from the education savings account program, the department shall notify eligible students and parents of the decision as quickly as possible. A parent may appeal a decision of the department under chapter 28-32.~~

~~4. The department shall adopt rules and procedures as necessary for the administration of the education savings account program.~~

6. Provide to the parent of a participating student a written explanation of the allowable uses of education savings accounts, the responsibilities of the parent, and the duties of the administrator.

7. Ensure the department is informed of a participating student's graduation from high school or a participating student's termination of participation in the education savings account program.

8. Coordinate with the Bank of North Dakota to develop procedures to implement the program in accordance with this chapter and related rules.

9. Upon request, determine whether an expense is allowable.

10. Establish a procedure for a participating school to provide data to the department as required under this chapter.

11. Administer an annual parental satisfaction survey requesting each parent of a student receiving an education savings account program grant indicate the number of years the child has participated in the education savings account program and express the parent's:

a. Satisfaction with the education savings account program; and

b. Opinions on other topics, items, or issues that may indicate the effectiveness of the education savings account program.

School districts of residence - Duties.

The school district of residence:

1. Shall provide a participating school or education service provider that has admitted an eligible student under this chapter with a complete copy of the student's school records, while complying with the Family Educational Rights and Privacy Act of 1974 [20 U.S.C. Section 1232(g)].

2. May provide transportation for an eligible student to and from the participating school or education service provider under the same conditions as the school district of residence is required to provide transportation for other resident students to nonpublic schools. The school district of residence qualifies for state transportation aid for each student transported.

SECTION 2. APPROPRIATION - BANK OF NORTH DAKOTA - EDUCATION SAVINGS ACCOUNT PROGRAM. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $40,000,000, or so much of the sum as may be necessary, to the Bank of North Dakota for the purpose of funding the education savings account program beginning in the school year 2026-27, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 3. EFFECTIVE DATE. Section 1 of this Act becomes effective on July 1, 2026.

REPORT OF STANDING COMMITTEE
REENGROSSED HB 1540

Education Committee (Sen. Beard, Chairman) recommends **AMENDMENTS (25.1055.04004)** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (4 YEAS, 2 NAYS, 0 ABSENT OR EXCUSED AND NOT VOTING). Reengrossed HB 1540 was placed on the Sixth order on the calendar. This bill does not affect workforce development.

25.1055.04003
Title.

Prepared by the Legislative Council
staff for Representative Koppelman
April 1, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO
SECOND ENGROSSMENT

REENGROSSED HOUSE BILL NO. 1540

Introduced by

Representatives Koppelman, Hauck, J. Johnson, Marschall, Morton, Rohr, Steiner

Senators Clemens, Cory, Gerhardt, Wobbema, Boehm

A BILL for an Act to create and enact a new chapter to title 15.1 of the North Dakota Century Code, relating to an education savings account program; to provide an appropriation; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new chapter to title 15.1 of the North Dakota Century Code is created and enacted as follows:

Definitions.

As used in this chapter:

1. "Administrator" means an organization registered by the secretary of state to do business in North Dakota and designated by the Bank of North Dakota to assist in the implementation of this chapter.
2. "Department" means the department of public instruction.
3. "Education service provider" means an individual or organization approved to provide qualified education services. The term does not include a participating school.
4. "Eligible postsecondary institution" means a community college, an accredited university, or an accredited private postsecondary institution.
5. "Eligible student" means:
   a. ~~An~~ an elementary or secondary student who is a resident of this state and is eligible to attend a public school~~; or~~

~~b. A student who has received a scholarship under the education savings account program until the student graduates high school or reaches twenty-one years of age, regardless of household income.~~

6. "Parent" means a resident of this state who is a parent, guardian, custodian, or other person with the authority to act on behalf of the child.

7. "Participating school" means any nonpublic school providing education to elementary students, secondary students, or both ~~that~~, which charges tuition and has notified the administrator of the school's intention to participate in the education savings account program and comply with the education savings account program requirements under this chapter and related administrative rules.

8. "Private tutoring" means ~~qualified~~professional tutoring services approved by the administrator to receive payment under this chapter.

~~Account deposits -~~ Parent agreement - Qualified expenses ~~- Enrollment.~~

1. ~~Beginning with the 2026-27 school year, the Bank of North Dakota annually shall deposit into each education savings account fifty percent of the statewide average amount distributed per student under subsection 5 of section 15.1-27-04.1 for the previous year.~~

~~2. The department shall give priority access to the education savings account program to the sibling of a student already enrolled in the education savings account program.~~

~~3.~~ A parent of an eligible student qualifies for ~~a state grant to the child's~~an education savings account for the child if the parent signs an agreement with the department promising:

a. To provide an education for the eligible student in at least the subjects of ~~reading, grammar~~English language arts, mathematics, social studies, and science;

b. Not to enroll the parent's eligible student in a public school or supervise home education under chapter 15.1-23 for the eligible student;

c. To use education savings account program funds solely for qualified expenses under this chapter;

d. To comply with the requirements outlined in this chapter and any related rules adopted by the Bank of North Dakota; and

e. If the participating student is a child with a disability, ~~to acknowledge~~ the parent has received information from the department and understands participation in the education savings account program qualifies as a parental placement of the parent's child under the Individuals with Disabilities Education Act [Pub. L. 108-446; 20 U.S.C. 1412(a)(10)(A)]; ~~and~~

~~f. To notify the department if the parent's student terminates participation in the education savings account program and enrolls in a public school.~~

~~4.~~2. A parent participating in the education savings account program ~~shall~~may use the funds deposited in the eligible student's account for any of the following qualifying expenses to educate the eligible student:

a. Tuition and fees at a participating school;

b. A textbook required by a participating school;

c. Payment for private tutoring or to another educational service provider;

d. Payment for purchase of curriculum;

e. Tuition or fees for a nonpublic online learning program;

f. Fees for ~~national norm-referenced examinations,~~ advanced placement examinations or similar courses, and any examinations related to college or university admission;

g. Computer hardware, software, or other technological device that is used solely for a student's educational needs and approved by the ~~department or a licensed physician~~administrator, provided hardware purchased with education savings account funds may not be resold within ~~one year~~three years of purchase;

h. Reasonable fees for transportation paid to a fee-for-service transportation provider for the student to travel to and from an education service provider;

i. Tuition and fees at an eligible postsecondary institution; and

j. A textbook required for college or university courses.

~~5.~~3. A participating school, private tutor, eligible postsecondary institution, or other education service provider may not refund, rebate, or share a student's grant with a parent or ~~the~~ student in any manner. Any refund must be provided to the administrator who shall deposit the funds into the appropriate student's education savings account.

~~6.~~4. A parent may make a payment for the cost of educational programs and services not covered by the funds in the child's account.

~~7.~~

Bank of North Dakota - State treasurer - Duties - Transfer.

1. The Bank of North Dakota shall:
   a. Beginning with the 2026-27 school year, annually deposit into each education savings account fifty percent of the statewide average amount distributed per student under subsection 5 of section 15.1-27-04.1 for the previous year.
   b. Qualify an administrator to manage and administer education savings accounts.
   c. Establish the role and responsibilities of an administrator.
   d. Conduct or contract for the auditing of accounts and, at a minimum, conduct random audits of accounts on an annual basis. An administrator may conduct the audits. The Bank of North Dakota may determine a parent of an eligible student is ineligible for the education savings account program if the parent substantially misuses the funds in the account.
   e. Refer cases of substantial misuse of funds to law enforcement for investigation, if evidence of fraudulent use of an account is obtained.
   f. Make deposits into eligible students' education savings accounts on a quarterly basis.
   g. Adopt rules and procedures under chapter 28-32 for the administration of the education savings account program, as necessary.
   h. Upon a participating student's graduation from high school or termination of participation in the education savings account program, close the participating student's account and transfer any remaining money in the account to the general fund in the state treasury.
2. The Bank of North Dakota may bar a participating school or education service provider from the education savings account program if the administrator determines the participating school or education service provider has:
   a. Routinely failed to comply with the accountability standards established under this chapter; or

b. Failed to provide a participating student with the educational services funded by the education savings account.

3. If the Bank of North Dakota bars a participating school or education provider from the education savings account program, the administrator shall notify eligible students and parents of the decision as quickly as possible. A parent may appeal a decision of the Bank of North Dakota under chapter 28-32.

4. The state treasurer annually shall transfer the funds required for education savings accounts from the general fund to the Bank of North Dakota for quarterly deposit in each education savings account.

~~8.~~5. Funds, not to exceed twenty-five percent of the amount under subsection 1, not expended over the course of a school year may be carried forward for use in the following school year for a child who remains in the education savings account program. If a parent removes a child from the education savings account program before the end of the school year, any remaining funds from that school year must be returned to the state and be allocated to fund other accounts. A student may transfer to another nonpublic school ~~or home school~~ and retain the funds in the education savings account.

~~9.~~6. Funds deposited in an education savings account do not constitute taxable income to the parent or the education savings account student.

7. The superintendent of public instruction may apply to a federal agency for additional funds to support this program. These funds must provide an additional benefit to each participating student's education savings account. If necessary to become eligible for the receipt of federal funds, the Bank of North Dakota, with consideration of advice provided by the superintendent of public instruction, shall adopt rules that supersede any conflicting law under this chapter.

~~**Bank of North Dakota - Administrator - Administration.**~~

~~1. The Bank of North Dakota shall:~~

~~a. Qualify private financial management firms to manage and administer education savings accounts.~~

~~b. Conduct or contract for the auditing of accounts and, at a minimum, conduct random audits of accounts on an annual basis. The Bank of North Dakota may make a~~

~~parent of an eligible student ineligible for the education savings account program if the parent substantially misuses the funds in the account.~~

~~c. Refer cases of substantial misuse of funds to law enforcement for investigation if evidence of fraudulent use of an account is obtained.~~

~~d. Make payments to eligible students' education savings accounts on a quarterly basis.~~

~~e. Adopt rules and procedures as necessary for the administration of the education savings account program.~~

~~f. Upon the student's graduation from high school, the superintendent of public instruction shall close the student's account and transfer any remaining money in the account to the general fund in the state treasury.~~

~~2. The administrator shall provide to the parent of a participating student a written explanation of the allowable uses of education saving accounts, the responsibilities of the parent, and the duties of the administrator.~~

Participating schools - Department - Accountability standards.

1. ~~To ensure students are treated fairly and kept safe, each~~A participating ~~nonpublic~~ school shall:

   a. Comply with all health and safety laws or codes that apply to nonpublic schools~~;~~.

   b. Obtain certification of approval under section 15.1-06-06.1~~;~~.

   c. Hold a valid occupancy permit if required by the school's municipality~~; and~~.

   d. Certify the school complies with the nondiscrimination policies under [42 U.S.C. 1981].

~~2. To ensure funds are spent appropriately, a participating school shall:~~

   ~~a.~~e. Provide a parent with a receipt for all qualifying expenses at the school.

   ~~b. Demonstrate the school's financial viability, if the school is to receive fifty thousand dollars or more during the school year, by filing with the administrator, before the start of the school year:~~

      ~~(1) A surety bond payable to the state in an amount equal to the aggregate amount of the funds from education savings accounts expected to be paid during the school year from students admitted at the participating school; or~~

~~(2) Financial information demonstrating the school has the ability to pay an aggregate amount equal to the amount of the funds from education savings accounts expected to be paid during the school year to students admitted to the participating school.~~

~~3. To allow parents and taxpayers to measure the achievements of the education savings account program:~~

~~a. Parents shall ensure:~~

~~(1) The~~

f. Refund any payment for which a good or service was not provided to the student due to a participating student terminating participation in the education savings account program. A tuition payment must be refunded pro rata determined by the school days remaining in the term for which the tuition was paid. A refund must be paid to the administrator who shall deposit the funds into the appropriate student's education savings account.

g. Ensure the eligible student ~~annually~~ takes the state ~~achievement tests~~assessments, or other nationally norm-referenced tests~~, or equivalent tests that~~, which measure learning gains in mathematics and English language arts, and provide for value-added assessment. If a parent selects the state ~~achievement test~~assessment, the department shall pay associated costs and materials~~;~~.

~~(2) The~~

h. Ensure the results of the tests are provided to the department ~~or an organization chosen by the state on an annual basis;~~

~~(3) The student information is reported in a way that allows the department to aggregate data by grade level, gender, family income level, and race; and~~

~~(4) The department, or an organization chosen by the department, is informed of the eligible student's graduation from high school.~~

~~b.~~2. The department, or an organization chosen by the department, shall:

~~(1)~~a. Ensure compliance with all student privacy laws~~;~~.

~~(2)~~b. Collect all test results~~;~~.

~~(3)~~c. Provide the test results, associated learning gains, and graduation rates to the public on the department's website after the third year of test and graduation-related data collection. The findings must be aggregated by the student's grade level, gender, family income level, number of years of participation in the education savings account program, and race~~;~~. Data aggregation related to assessments may be limited to the state assessment, as determined necessary by the department.

~~(4)~~d. Provide rates for high school graduation~~, college attendance, and college graduation~~ for participating students to the public on the department's website after the third year of test and test-related data collection~~; and~~

~~(5) Administer an annual parental satisfaction survey requesting each parent of a student receiving an education savings account program grant indicate the number of years the child has participated in the education savings account program and express the parent's:~~

~~(a) Satisfaction with the education savings account program; and~~

~~(b) Opinions on other topics, items, or issues that may indicate the effectiveness of the education savings account program.~~

~~4.~~3. A participating nonpublic school or other education service provider is autonomous and not an agent of the state or federal government and, except as provided under this chapter and in related rules, the:

a. ~~The department~~Department may not regulate the educational program of a participating nonpublic school or education service provider that accepts funds from an education savings account~~, except as provided under this chapter and chapter 15.1-23~~;

b. ~~The creation~~Creation of the education savings account program does not expand the regulatory authority of the state, its officers, or a school district to impose an additional regulation of nonpublic schools or education service providers beyond the regulations necessary to enforce the requirements of the education savings account program; and

c. Participating nonpublic schools and education service providers must have the freedom to provide for the educational needs of the school's students without governmental control.

~~**Department of public instruction -**~~ **Administrator - Duties.**

~~1.~~ The administrator shall:

~~a.~~1. Ensure eligible students and parents are informed annually of the schools that will be participating in the education savings account program.

~~b.~~2. Create a standard form a parent of an eligible student may submit to establish a student's eligibility for the education savings account program. The administrator shall ensure the application is readily available to interested families through various sources, including the department's website.

~~c.~~3. Accept applications on a year-round basis and shall approve applications in a reasonable time frame.

~~d.~~4. Execute a multimedia marketing program targeting eligible families, especially those below the state's median household income, informing the families about the education savings account program and how to apply.

~~e.~~5. Establish a web and phone-based support system providing parents with education savings account program application support and ongoing account maintenance support.

~~2. The department may bar a participating school or education service provider from the education savings account program if the department determines the participating school or education provider has:~~

~~a. Routinely failed to comply with the accountability standards established under this chapter; or~~

~~b. Failed to provide the eligible student with the educational services funded by the education savings account.~~

~~3. If the department bars a participating school or education provider from the education savings account program, the department shall notify eligible students and parents of the decision as quickly as possible. A parent may appeal a decision of the department under chapter 28-32.~~

~~4. The department shall adopt rules and procedures as necessary for the administration of the education savings account program.~~

6. Provide to the parent of a participating student a written explanation of the allowable uses of education savings accounts, the responsibilities of the parent, and the duties of the administrator.

7. Ensure the department is informed of a participating student's graduation from high school or a participating student's termination of participation in the education savings account program.

8. Coordinate with the Bank of North Dakota to develop procedures to implement the program in accordance with this chapter and related rules.

9. Upon request, determine whether an expense is allowable.

10. Establish a procedure for a participating school to provide data to the department as required under this chapter.

11. Administer an annual parental satisfaction survey requesting each parent of a student receiving an education savings account program grant indicate the number of years the child has participated in the education savings account program and express the parent's:

a. Satisfaction with the education savings account program; and

b. Opinions on other topics, items, or issues that may indicate the effectiveness of the education savings account program.

School districts of residence - Duties.

The school district of residence:

1. Shall provide a participating school or education service provider that has admitted an eligible student under this chapter with a complete copy of the student's school records, while complying with the Family Educational Rights and Privacy Act of 1974 [20 U.S.C. Section 1232(g)].

2. May provide transportation for an eligible student to and from the participating school or education service provider under the same conditions as the school district of residence is required to provide transportation for other resident students to nonpublic schools. The school district of residence qualifies for state transportation aid for each student transported.

SECTION 2. APPROPRIATION - BANK OF NORTH DAKOTA - EDUCATION SAVINGS ACCOUNT PROGRAM. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $40,000,000, or so much of the sum as may be necessary, to the Bank of North Dakota for the purpose of funding the education savings account program beginning in the school year 2026-27, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 3. EFFECTIVE DATE. Section 1 of this Act becomes effective on July 1, 2026.

2025 SENATE APPROPRIATIONS

HB 1540

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division
Sakakawea Room, State Capitol

HB 1540
4/8/2025

A BILL for an Act to create and enact a new chapter to title 15.1 of the North Dakota Century Code, relating to an education savings account program; to provide an appropriation; and to provide an effective date.

10:40 a.m. Chairman Sorvaag called the meeting to order.

Members Present: Chairman Ronald Sorvaag, Senator Cole Conley, Senator Donald Schaible, Senator Scott Meyer.

Absent: Senator Paul J. Thomas.

Discussion Topics:

- Parental Choice in Education.
- 3rd Party Vendor as Administrator.
- Means Test.

10:40 a.m. Senator Wobbema, District 24, introduced the bill in favor and answered committee questions.

10:52 a.m. Senator Beard, District 23, testified in favor of amendment to remove line 21-22, Pg 5.

10:55 a.m. Senator Wobbema, District 24, answered committee questions.

11:00 a.m. Representative B. Koppelman, District 16, testified in favor and answered committee questions.

11:15 a.m. Chairman Sorvaag closed the meeting.

Steven Hall, Committee Clerk

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division
Sakakawea Room, State Capitol

HB 1540
4/10/2025

A BILL for an Act to create and enact a new chapter to title 15.1 of the North Dakota Century Code, relating to an education savings account program; to provide an appropriation; and to provide an effective date.

10:11 a.m. Chairman Sorvaag called the meeting to order.

Members Present: Chairman Ronald Sorvaag, Senator Cole Conley, Senator Donald Schaible, Senator Paul J. Thomas, Senator Scott Meyer.

Discussion Topics:

- Development of Administrative Code.
- Auditing Procedures.
- Appeals Process.

10:11 a.m. Senator Schaible discussed proposed amendment and submitted testimony in in favor #44901.

10:12 a.m. Kelvin Hullet, Chief Business Developer, Bank of ND, testified in favor and answered committee questions.

10:25 a.m. Alison Anderson, Chief Banking and Innovation, Officer, Bank of ND, testified in favor and answered committee questions.

10:33 a.m. Adam Tescher, School Finance Director, Dept. of Public Instruction, testified in favor and answered committee questions.

10:41 a.m. Senator Axtman, District 7, discussed proposed amendment to employ a tiered approach and answered committee questions and submitted testimony in favor #44899 and #44902.

10:46 a.m. Adam Tescher, School Finance Director, Dept. of Public Instruction, answered committee questions.

10:47 a.m. Senator Axtman, District 7, answered committee questions.

10:51 a.m. Chairman Sorvaag closed the meeting.

Steven Hall, Committee Clerk

~~6.~~4. A parent may make a payment for the cost of educational programs and services not covered by the funds in the child's account.

~~7.~~

Bank of North Dakota - State treasurer - Duties - Transfer.

1. The Bank of North Dakota shall:

a. Beginning with the 2026-27 school year, annually deposit into each education savings account:

(1) Fifty percent of the statewide average amount distributed per student under subsection 5 of section 15.1-27-04.1 for the previous year, if the eligible student's household has an annual income less than or equal to two hundred percent of the most recently revised poverty income guidelines published by the United States department of health and human services.

(2) Twenty-five percent of the statewide average amount distributed per student under subsection 5 of section 15.1-27-04.1 for the previous year, if the eligible student's household has an annual income greater than two hundred percent but less than or equal to four hundred percent of the most recently revised poverty income guidelines published by the United States department of health and human services.

(2) Fifteen percent of the statewide average amount distributed per student under subsection 5 of section 15.1-27-04.1 for the previous year, if the eligible student's household has an annual income greater than four hundred percent of the most recently revised poverty income guidelines published by the United States department of health and human services.

b. Qualify an administrator to manage and administer education savings accounts.

c. Establish the role and responsibilities of an administrator.

d. Conduct or contract for the auditing of accounts and, at a minimum, conduct random audits of accounts on an annual basis. An administrator may conduct the audits. The Bank of North Dakota may determine a parent of an eligible student is ineligible for the education savings account program if the parent substantially misuses the funds in the account.

25.1055.04007
Title.

Prepared by the Legislative Council staff for Senator Schaible
April 9, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO SECOND ENGROSSMENT

REENGROSSED HOUSE BILL NO. 1540

Introduced by

Representatives Koppelman, Hauck, J. Johnson, Marschall, Morton, Rohr, Steiner

Senators Clemens, Cory, Gerhardt, Wobbema, Boehm

In place of the amendment (25.1055.04004) adopted by the Senate, Reengrossed House Bill No. 1540 is amended by amendment (25.1055.04007) as follows:

A BILL for an Act to create and enact a new chapter to title 15.1 of the North Dakota Century Code, relating to an education savings account program; to provide a penalty; to provide an appropriation; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new chapter to title 15.1 of the North Dakota Century Code is created and enacted as follows:

Definitions.

As used in this chapter:

1. "Administrator" means ~~an organization registered by the secretary of state to do business in North Dakota and designated by~~ the Bank of North Dakota ~~to assist in the implementation of this chapter~~.
2. "Department" means the department of public instruction.
3. "Education service provider" means an individual or organization approved to provide qualified education services. The term does not include a participating school.
4. "Eligible postsecondary institution" means a community college, an accredited university, or an accredited private postsecondary institution.
5. "Eligible student" means:
   ~~a.~~ ~~An~~ an elementary or secondary student who is a resident of this state ~~and~~, is eligible to attend a public school; ~~or~~

~~b. A student who has received a scholarship under the education savings account program until the student graduates high school or reaches twenty-one years of age, regardless of household income~~, and whose family's household income is less than three hundred percent of the federal poverty guidelines.

6. "Parent" means a resident of this state who is a parent, guardian, custodian, or other person with the authority to act on behalf of ~~the child~~the eligible student.

7. "Participating school" means any nonpublic school providing education to elementary students, secondary students, or both ~~that~~, which charges tuition and has notified the administrator of the school's intention to participate in the education savings account program and comply with the education savings account program requirements under this chapter and related administrative rules.

8. "Private tutoring" means ~~qualified~~professional tutoring services approved by the administrator to receive payment under this chapter.

9. "Program manager" means an organization registered by the secretary of state to do business in North Dakota and designated by the Bank of North Dakota to assist in the implementation of this chapter.

~~Account deposits - Parent agreement - Qualified expenses - Enrollment.~~

1. ~~Beginning with the 2026-27 school year, the Bank of North Dakota annually shall deposit into each education savings account fifty percent of the statewide average amount distributed per student under subsection 5 of section 15.1-27-04.1 for the previous year.~~

~~2. The department shall give priority access to the education savings account program to the sibling of a student already enrolled in the education savings account program.~~

~~3.~~ A parent of an eligible student qualifies for ~~a state grant to the child's~~an education savings account ~~child~~for the student if the parent signs an agreement with the department promising:

a. To provide an education for the eligible student in at least the subjects of ~~reading, grammar~~English language arts, mathematics, social studies, and science;

b. Not to enroll the parent's eligible student in a public school or supervise home education under chapter 15.1-23 for the eligible student;

c. To use education savings account program funds solely for qualified expenses under this chapter;

d. To comply with the requirements outlined in this chapter ~~and~~, any related rules adopted by the department under chapter 28-32, and other requirements of the Bank of North Dakota or the program manager; and

e. If the participating student is a child with a disability, to acknowledge the parent has received information from the department and understands participation in the education savings account program qualifies as a parental placement of the parent's child under the Individuals with Disabilities Education Act [Pub. L. 108-446; 20 U.S.C. 1412(a)(10)(A)]; ~~and~~

~~f. To notify the department if the parent's student terminates participation in the education savings account program and enrolls in a public school.~~

~~4.~~2. A parent participating in the education savings account program ~~shall~~may use the funds deposited in the eligible student's account for any of the following qualifying expenses to educate the eligible student:

a. Tuition and fees at a participating school;

b. A textbook required by a participating school;

c. Payment for private tutoring or to another educational service provider;

d. Payment for purchase of curriculum;

e. Tuition or fees for a nonpublic online learning program;

f. Fees for ~~national norm-referenced examinations,~~ advanced placement examinations or similar courses, and any examinations related to college or university admission;

g. Computer hardware, software, or other technological device that is used solely for a student's educational needs and ~~approved~~permitted by the rules of the department ~~or a licensed physician. Provided hardware purchased with education savings account funds may not be resold within one year of purchase;~~

h. Reasonable fees for transportation paid to a fee-for-service transportation provider for the student to travel to and from an education service provider;

i. Tuition and fees at an eligible postsecondary institution; and

j. A textbook required for college or university courses.

~~5.~~3. A participating school, private tutor, eligible postsecondary institution, or other education service provider may not refund, rebate, or share a student's grant with a parent or ~~the~~ student in any manner. Any refund must be provided to the administrator who shall deposit the funds into the appropriate student's education savings account.

~~6.~~4. A parent may make a payment for the cost of educational programs and services not covered by the funds in the child's account.

~~7.~~

Bank of North Dakota - State auditor - State treasurer - Duties - Transfer - Penalty.

1. The administrator shall:

   a. Beginning with the 2026-27 school year, annually deposit into each education savings account fifty percent of the statewide average amount distributed per student under subsection 5 of section 15.1-27-04.1 for the previous year as certified by the department.

   b. Qualify a program manager to provide operational oversight and control of education savings accounts.

   c. Establish the role and responsibilities of a program manager.

   d. Contract with the state auditor for the annual auditing of accounts. The state auditor may determine a parent of an eligible student is ineligible for the education savings account program if the parent substantially misuses the funds in the account, in which case the state auditor shall notify the administrator. Upon receiving the notice, the administrator shall discontinue contributions to the eligible student's account. If evidence of fraudulent use of an account is obtained, the state auditor shall refer cases of substantial misuse of funds to the attorney general for investigation. A person who fraudulently misuses funds in violation of this chapter is guilty of a class A misdemeanor, for which a maximum penalty of imprisonment for three hundred sixty days, a fine of three thousand dollars, or both, may be imposed.

   e. Make deposits into eligible students' education savings accounts on a quarterly basis.

   f. Comply with the rules of the department adopted under chapter 28-32.

g. Upon notification by the program manager or department that a participating student graduated from high school or is no longer participating in the education savings account program, close the participating student's account and transfer any remaining money in the account to the general fund in the state treasury.

2. The administrator may disqualify a participating school or education service provider from the education savings account program if the program manager or state auditor determines the participating school or education service provider has:

a. Routinely failed to comply with the accountability standards established under this chapter; or

b. Failed to provide a participating student with the educational services funded by the education savings account.

3. If the administrator, upon recommendation from the program manager or state auditor, disqualifies a participating school or education provider from the education savings account program, the program manager shall notify eligible students and parents of the decision as quickly as possible.

4. A decision of the administrator may be appealed to the department under chapter 28-32.

5. The state treasurer annually shall transfer the funds required for education savings accounts from the general fund to the Bank of North Dakota for quarterly deposit in each education savings account.

~~8.~~6. Funds, not to exceed twenty-five percent of the amount under subsection 1, not expended over the course of a school year may be carried forward for use in the following school year for a child who remains in the education savings account program. If a parent removes a child from the education savings account program before the end of the school year, any remaining funds from that school year must be returned to the state and be allocated to fund other accounts. A student may transfer to another nonpublic school ~~or home school~~ and retain the funds in the education savings account.

~~9.~~7. Funds deposited in an education savings account do not constitute state taxable income in North Dakota to the parent or the education savings account student.

8. The superintendent of public instruction may apply to a federal agency for additional funds to support this program. These funds must provide an additional benefit to each participating student's education savings account. If necessary to become eligible for the receipt of federal funds, the department shall adopt rules that supersede any conflicting law under this chapter and notify the administrator.

~~**Bank of North Dakota - Administrator - Administration.**~~

~~1. The Bank of North Dakota shall:~~

~~a. Qualify private financial management firms to manage and administer education savings accounts.~~

~~b. Conduct or contract for the auditing of accounts and, at a minimum, conduct random audits of accounts on an annual basis. The Bank of North Dakota may make a parent of an eligible student ineligible for the education savings account program if the parent substantially misuses the funds in the account.~~

~~c. Refer cases of substantial misuse of funds to law enforcement for investigation if evidence of fraudulent use of an account is obtained.~~

~~d. Make payments to eligible students' education savings accounts on a quarterly basis.~~

~~e. Adopt rules and procedures as necessary for the administration of the education savings account program.~~

~~f. Upon the student's graduation from high school, the superintendent of public instruction shall close the student's account and transfer any remaining money in the account to the general fund in the state treasury.~~

~~2. The administrator shall provide to the parent of a participating student a written explanation of the allowable uses of education saving accounts, the responsibilities of the parent, and the duties of the administrator.~~

Participating schools - Department - Accountability standards.

1. ~~To ensure students are treated fairly and kept safe, each~~A participating ~~nonpublic~~ school shall:

a. Comply with all health and safety laws or codes that apply to nonpublic schools;

b. Obtain certification of approval under section 15.1-06-06.1;

c. Hold a valid occupancy permit if required by the school's municipality; ~~and~~.

d. Certify the school complies with the nondiscrimination policies under [42 U.S.C. 1981].

~~2. To ensure funds are spent appropriately, a participating school shall:~~

~~a.~~e. Provide a parent with a receipt for all qualifying expenses at the school.

~~b. Demonstrate the school's financial viability, if the school is to receive fifty thousand dollars or more during the school year, by filing with the administrator before the start of the school year:~~

~~(1) A surety bond payable to the state in an amount equal to the aggregate amount of the funds from education savings accounts expected to be paid during the school year from students admitted at the participating school; or~~

~~(2) Financial information demonstrating the school has the ability to pay an aggregate amount equal to the amount of the funds from education savings accounts expected to be paid during the school year to students admitted to the participating school.~~

~~3. To allow parents and taxpayers to measure the achievements of the education savings account program:~~

~~a. Parents shall ensure:~~

~~(1) The~~

f. Refund any payment for which a good or service was not provided to the student due to a participating student terminating participation in the education savings account program. A tuition payment must be refunded pro rata determined by the school days remaining in the term for which the tuition was paid. A refund must be paid to the administrator who shall deposit the funds into the appropriate student's education savings account.

g. Ensure the eligible student ~~annually~~ takes the state ~~achievement tests~~assessments, or other nationally norm-referenced tests~~, or equivalent tests that~~, which measure learning gains in mathematics and English language arts, and provide for value-added assessment. ~~If a parent selects the state achievement test, the department shall pay associated costs and materials;~~

~~(2) The~~

h. Ensure the results of the tests are provided to the department ~~or an organization chosen by the state on an annual basis;~~

~~(3) The student information is reported in a way that allows the department to aggregate data by grade level, gender, family income level, and race; and~~

~~(4) The department, or an organization chosen by the department, is informed of the eligible student's graduation from high school.~~

~~b.~~2. The department, or an organization chosen by the department, shall:

~~(1)~~a. Ensure compliance with all student privacy laws;.

~~(2)~~b. Collect all test results;.

~~(3)~~c. Provide the test results, associated learning gains, and graduation rates to the public on the department's website after the third year of test and graduation-related data collection. The findings must be aggregated by the student's grade level, gender, family income level, number of years of participation in the education savings account program, and race;. Data aggregation related to assessments may be limited to the state assessment, as determined necessary by the department.

~~(4)~~d. Provide rates for high school graduation, ~~college attendance, and college graduation~~ for participating students to the public on the department's website after the third year of test and test-related data collection; ~~and~~

~~(5) Administer an annual parental satisfaction survey requesting each parent of a student receiving an education savings account program grant indicate the number of years the child has participated in the education savings account program and express the parent's:~~

~~(a) Satisfaction with the education savings account program; and~~

~~(b) Opinions on other topics, items, or issues that may indicate the effectiveness of the education savings account program.~~

~~4.~~3. A participating nonpublic school or other education service provider is autonomous and not an agent of the state or federal government and, except as provided under this chapter and in related rules, the:

a. ~~The department~~Department may not regulate the educational program of a participating nonpublic school or education service provider that accepts funds

from an education savings account~~, except as provided under this chapter and chapter 15.1-23~~.

b. ~~The creation~~Creation of the education savings account program does not expand the regulatory authority of the state, its officers, or a school district to impose an additional regulation of nonpublic schools or education service providers beyond the regulations necessary to enforce the requirements of the education savings account program; and

c. Participating nonpublic schools and education service providers must have the freedom to provide for the educational needs of the school's students without governmental control.

~~Department of public instruction - Administrator~~Program manager - Duties.

~~1.~~ The ~~administrator~~program manager shall:

~~a.~~1. Ensure eligible students and parents are informed annually of the schools that will be participating in the education savings account program.

~~b.~~2. ~~Create~~Provide a standard form a parent ~~of an eligible student~~ may submit to establish a student's eligibility for the education savings account program. The ~~administrator~~program manager shall ensure the application is readily available to interested families through various sources, including ~~the department's~~a website for the program.

~~c.~~3. Accept applications on a year-round basis and ~~shall~~ approve applications in a reasonable time frame.

~~d.~~4. Execute a multimedia marketing program targeting eligible families, especially those below the state's median household income, informing the families about the education savings account program and how to apply.

~~e.~~5. Establish a web and phone-based support system providing parents with education savings account program application support and ongoing account maintenance support.

~~2. The department may bar a participating school or education service provider from the education savings account program if the department determines the participating school or education provider has:~~

~~a. Routinely failed to comply with the accountability standards established under this chapter; or~~

~~b. Failed to provide the eligible student with the educational services funded by the education savings account.~~

~~3. If the department bars a participating school or education provider from the education savings account program, the department shall notify eligible students and parents of the decision as quickly as possible. A parent may appeal a decision of the department under chapter 28-32.~~

~~4. The department shall adopt rules and procedures as necessary for the administration of the education savings account program.~~

6. Provide to the parent of a participating student a written explanation of the allowable uses of education savings accounts, the responsibilities of the parent, and the duties of the program manager.

7. Ensure the administrator and the department are informed of a participating student's graduation from high school or a participating student's termination of participation in the education savings account program.

8. Coordinate with the administrator and the department to develop procedures to implement the program in accordance with this chapter and related rules.

9. Upon request, determine whether an expense is allowable. A parent may appeal a determination to the administrator.

10. Establish a procedure for a participating school to provide data to the department as required under this chapter.

11. Administer an annual parental satisfaction survey requesting each parent of a student receiving an education savings account program grant indicate the number of years the child has participated in the education savings account program and express the parent's:

a. Satisfaction with the education savings account program; and

b. Opinions on other topics, items, or issues that may indicate the effectiveness of the education savings account program.

School districts of residence - Duties.

The school district of residence:

1. Shall provide a participating school or education service provider that has admitted an eligible student under this chapter with a complete copy of the student's school records, while complying with the Family Educational Rights and Privacy Act of 1974 [20 U.S.C. Section 1232(g)].
2. May provide transportation for an eligible student to and from the participating school or education service provider under the same conditions as the school district of residence is required to provide transportation for other resident students to nonpublic schools. The school district of residence qualifies for state transportation aid for each student transported.

SECTION 2. APPROPRIATION - BANK OF NORTH DAKOTA - EDUCATION SAVINGS ACCOUNT PROGRAM. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $40,000,000, or so much of the sum as may be necessary, to the Bank of North Dakota for the purpose of funding the education savings account program beginning in the school year 2026-27, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 3. EFFECTIVE DATE. Section 1 of this Act becomes effective on July 1, 2026.

BND Costs	Year 1	Biennum
FTE		
Internal Auditing	$105,000	$ 216,300.00
Program Manager internally	$140,000	$ 288,400.00
Marketing	$450,000	$ 225,000.00
Consultant to setup Rules and Program	$300,000	$ 100,000.00
State Auditor	$100,000	$ 200,000.00
Website Update with Hyperlinks from BND and/or DPI	$50,000	$ 20,000.00
implementation	$750,000	
Admin fee	$1,517,340	$ 3,469,000.00
DPI FTE	$90,000	$ 185,400.00
DPI Insights	$15,000	
Infinite Campus	$121,787	$ 250,881.22
Professional services fees DPI	$100,000	$ 200,000.00
	$ 3,739,127.00	$ 5,154,981.22

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division
Sakakawea Room, State Capitol

HB 1540
4/10/2025

A BILL for an Act to create and enact a new chapter to title 15.1 of the North Dakota Century Code, relating to an education savings account program; to provide an appropriation; and to provide an effective date.

3:13 p.m. Chairman Sorvaag called the meeting to order.

Members Present: Chairman Ronald Sorvaag, Senator Cole Conley, Senator Donald Schaible, Senator Paul J. Thomas, Senator Scott Meyer.

Discussion Topics:

- Possibility of Emergency Clause.
- Exemption from State Purchasing Practices.
- Application Deadline.

3:13 p.m. Senator Schaible testified in favor and submitted testimony #44913.

3:18 p.m. Kelvin Hullet, Chief Business Development Officer, Bank of ND, submitted testimony in favor #44914 and answered committee questions.

3:21 p.m. Chairman Sorvagg referenced previous testimony #44901 from 4/10/25 at 10:00 a.m.

3:22 p.m. Representative B. Koppelman, District 16, answered committee questions.

3:25 p.m. Alison Anderson, Chief of Banking and Innovation, Bank of ND, answered committee questions.

3:31 p.m. Chairman Sorvaag closed the meeting.

Steven Hall, Committee Clerk

8. "Private tutoring" means professional tutoring services approved by the ~~administrator department~~ **program manager** to receive payment under this chapter.

Section 4. Exemption. Creation of the education savings account program is exempt from state purchasing practices under 54-44.4-05 and 54-59-32 for major information technology project oversight.

Section 5. This act is declared an emergency measure.

Rationale for the exemption and emergency clause is to attempt to meet the start date of the fall 2026 school year:

- This state directed program requires administrative rules, guidelines and policy to be developed specific to the state law passed by the legislature.
    - The Bank will need to hire a consultant to assist with implementation.
    - The administrative rule process requires at least 5 to 6 months to provide for rules to be drafted, approved by the administrative rules committee and published statewide.
    - The timeline for implementation after selection of a program manager is estimated to be 12 to 15 months per industry guidance.

The exemption and emergency clause provide an additional two months of time as opposed to waiting until July 1, 2025.

For Consideration:

Page 4 Line 10

a. Beginning with the ~~2026-27~~ **2027-28** school year, annually deposit into each education savings account fifty percent of the statewide average amount distributed per student under subsection 5 of section 15.1- 27- 04.1 for the previous year as certified by the Department of Public Instruction.

SECTION 2. APPROPRIATION - BANK OF NORTH DAKOTA - EDUCATION SAVINGS ACCOUNT PROGRAM. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $40,000,00 or so much of the sum as may be necessary, to the Bank of North Dakota for the purpose of funding the education savings account program beginning in the school year ~~2026-27~~, **2027-28** for the biennium beginning July 1, 2027, and ending June 30, 2029.

Implementation Timeline

May

- Legislative Session Ends
- Begin process of finding Consultant
- DPI begins drafting administrative rules / Notify Admin Rules Committee

June

- Consultant on Board
- Administrative Rules Drafted

July

- Contract in Place with Consultant
- DPI / BND / Consultant review Administrative Rules
- BND Begins Vetting for Program Manager

August – September

- Administrative rules Notification / Hearings

October

- Administrative Rules Approved & Ready
- Program Manager final selection

November

- Program Manager begins work on implementation 12-15 Month Process

January 1, 2027

- Final testing
- Applications open first quarter of 2027

Fall Semester 2027

- Program Implementation

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division
Sakakawea Room, State Capitol

HB 1540
4/11/2025

A BILL for an Act to create and enact a new chapter to title 15.1 of the North Dakota Century Code, relating to an education savings account program; to provide an appropriation; and to provide an effective date.

10:45 a.m. Chairman Sorvaag called the meeting to order.

Members Present: Chairman Ronald Sorvaag, Senator Cole Conley, Senator Donald Schaible, Senator Paul J. Thomas, Senator Scott Meyer.

Discussion Topics:

- Policy Concerns.
- Timeline Concerns.

10:45 a.m. Kelvin Hullet, Chief Business Development Officer, Bank of ND, testified in favor and answered committee questions.

10:47 a.m. Senator Schaible discussed the reason to delay the bill until Monday and submitted testimony in favor #44952.

10:50 a.m. Sherry Neas, Division Director, Office of Management and Budget, testified in favor.

10:55 a.m. Chairman Sorvaag adjourned the meeting.

Steven Hall, Committee Clerk

25.1055.04009
Title.

Prepared by the Legislative Council staff for Senate Appropriations - Education and Environment Division Committee
April 10, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO SECOND ENGROSSMENT

REENGROSSED HOUSE BILL NO. 1540

Introduced by

Representatives Koppelman, Hauck, J. Johnson, Marschall, Morton, Rohr, Steiner

Senators Clemens, Cory, Gerhardt, Wobbema, Boehm

In place of the amendment (25.1055.04004) adopted by the Senate, Reengrossed House Bill No. 1540 is amended by amendment (25.1055.04009) as follows:

A BILL for an Act to create and enact a new chapter to title 15.1 of the North Dakota Century Code, relating to an education savings account program; to provide an exemption; to provide an appropriation; ~~and~~ to provide an effective date; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new chapter to title 15.1 of the North Dakota Century Code is created and enacted as follows:

Definitions.

As used in this chapter:

1. "Administrator" means ~~an organization registered by the secretary of state to do business in North Dakota and designated by~~ the Bank of North Dakota ~~to assist in the implementation of this chapter~~.
2. "Department" means the department of public instruction.
3. "Education service provider" means an individual or organization approved to provide qualified education services. The term does not include a participating school.
4. "Eligible postsecondary institution" means a community college, an accredited university, or an accredited private postsecondary institution.
5. "Eligible student" means~~:~~
   ~~a.~~ ~~An~~ an elementary or secondary student who is a resident of this state ~~and~~, is eligible to attend a public school~~; or~~

~~b. A student who has received a scholarship under the education savings account program until the student graduates high school or reaches twenty-one years of age, regardless of household income~~, and whose family's household income is less than three hundred percent of the federal poverty guidelines.

6. "Parent" means a resident of this state who is a parent, guardian, custodian, or other person with the authority to act on behalf of ~~the child~~the eligible student.

7. "Participating school" means any nonpublic school providing education to elementary students, secondary students, or both ~~that~~, which charges tuition and has notified the administrator of the school's intention to participate in the education savings account program and comply with the education savings account program requirements under this chapter and related administrative rules.

8. "Private tutoring" means ~~qualified~~professional tutoring services approved by the program manager to receive payment under this chapter.

9. "Program manager" means an organization registered by the secretary of state to do business in North Dakota and designated by the Bank of North Dakota to assist in the implementation of this chapter.

~~Account deposits -~~ Parent agreement - Qualified expenses ~~- Enrollment~~.

1. ~~Beginning with the 2026-27 school year, the Bank of North Dakota annually shall deposit into each education savings account fifty percent of the statewide average amount distributed per student under subsection 5 of section 15.1-27-04.1 for the previous year.~~

~~2. The department shall give priority access to the education savings account program to the sibling of a student already enrolled in the education savings account program.~~

~~3.~~ A parent of an eligible student qualifies for ~~a state grant to the child's~~an education savings account ~~child~~for the student if the parent signs an agreement with the department promising:

a. To provide an education for the eligible student in at least the subjects of ~~reading, grammar~~English language arts, mathematics, social studies, and science;

b. Not to enroll the parent's eligible student in a public school or supervise home education under chapter 15.1-23 for the eligible student;

c. To use education savings account program funds solely for qualified expenses under this chapter;

d. To comply with the requirements outlined in this chapter ~~and~~, any related rules adopted by the department under chapter 28-32, and other requirements of the Bank of North Dakota or the program manager; and

e. If the participating student is a child with a disability, to acknowledge the parent has received information from the department and understands participation in the education savings account program qualifies as a parental placement of the parent's child under the Individuals with Disabilities Education Act [Pub. L. 108-446; 20 U.S.C. 1412(a)(10)(A)]~~; and~~

~~f. To notify the department if the parent's student terminates participation in the education savings account program and enrolls in a public school.~~

~~4.~~2. A parent participating in the education savings account program ~~shall~~may use the funds deposited in the eligible student's account for any of the following qualifying expenses to educate the eligible student:

a. Tuition and fees at a participating school;

b. A textbook required by a participating school;

c. Payment for private tutoring or to another educational service provider;

d. Payment for purchase of curriculum;

e. Tuition or fees for a nonpublic online learning program;

f. Fees for ~~national norm-referenced examinations,~~ advanced placement examinations or similar courses, and any examinations related to college or university admission;

g. Computer hardware, software, or other technological device that is used solely for a student's educational needs and ~~approved~~permitted by the rules of the department ~~or a licensed physician, provided hardware purchased with education savings account funds may not be resold within one year of purchase~~;

h. Reasonable fees for transportation paid to a fee-for-service transportation provider for the student to travel to and from an education service provider;

i. Tuition and fees at an eligible postsecondary institution; and

j. A textbook required for college or university courses.

~~5.~~3. A participating school, private tutor, eligible postsecondary institution, or other education service provider may not refund, rebate, or share a student's grant with a parent or ~~the~~ student in any manner. Any refund must be provided to the administrator who shall deposit the funds into the appropriate student's education savings account.

~~6.~~4. A parent may make a payment for the cost of educational programs and services not covered by the funds in the child's account.

~~7.~~

Bank of North Dakota - State auditor - State treasurer - Duties - Transfer - Penalty.

1. The administrator shall:

a. Beginning with the 2026-27 school year, annually deposit into each education savings account fifty percent of the statewide average amount distributed per student under subsection 5 of section 15.1-27-04.1 for the previous year as certified by the department.

b. Qualify a program manager to provide operational oversight and control of education savings accounts.

c. Establish the role and responsibilities of a program manager.

d. Contract with the state auditor for the annual auditing of accounts. The state auditor may determine a parent of an eligible student is ineligible for the education savings account program if the parent substantially misuses the funds in the account, in which case the state auditor shall notify the administrator. Upon receiving the notice, the administrator shall discontinue contributions to the eligible student's account. If evidence of fraudulent use of an account is obtained, the state auditor shall refer cases of substantial misuse of funds to the attorney general for investigation.

e. Make deposits into eligible students' education savings accounts on a quarterly basis.

f. Comply with the rules of the department adopted under chapter 28-32.

g. Upon notification by the program manager or department that a participating student graduated from high school or is no longer participating in the education savings account program, close the participating student's account and transfer any remaining money in the account to the general fund in the state treasury.

2. The administrator may disqualify a participating school or education service provider from the education savings account program if the program manager or state auditor determines the participating school or education service provider has:
   a. Routinely failed to comply with the accountability standards established under this chapter; or
   b. Failed to provide a participating student with the educational services funded by the education savings account.
3. If the administrator, upon recommendation from the program manager or state auditor, disqualifies a participating school or education provider from the education savings account program, the program manager shall notify eligible students and parents of the decision as quickly as possible.
4. A decision of the administrator may be appealed to the department under chapter 28-32.
5. The state treasurer annually shall transfer the funds required for education savings accounts from the general fund to the Bank of North Dakota for quarterly deposit in each education savings account.

~~8.~~6. Funds, not to exceed twenty-five percent of the amount under subsection 1, not expended over the course of a school year may be carried forward for use in the following school year for a child who remains in the education savings account program. If a parent removes a child from the education savings account program before the end of the school year, any remaining funds from that school year must be returned to the state and be allocated to fund other accounts. A student may transfer to another nonpublic school ~~or home school~~ and retain the funds in the education savings account.

~~9.~~7. Funds deposited in an education savings account do not constitute state taxable income in North Dakota to the parent or the education savings account student.

8. The superintendent of public instruction may apply to a federal agency for additional funds to support this program. These funds must provide an additional benefit to each participating student's education savings account. If necessary to become eligible for the receipt of federal funds, the department shall adopt rules that supersede any conflicting law under this chapter and notify the administrator.

~~**Bank of North Dakota - Administrator - Administration.**~~

~~1. The Bank of North Dakota shall:~~

~~a. Qualify private financial management firms to manage and administer education savings accounts.~~

~~b. Conduct or contract for the auditing of accounts and, at a minimum, conduct random audits of accounts on an annual basis. The Bank of North Dakota may make a parent of an eligible student ineligible for the education savings account program if the parent substantially misuses the funds in the account.~~

~~c. Refer cases of substantial misuse of funds to law enforcement for investigation if evidence of fraudulent use of an account is obtained.~~

~~d. Make payments to eligible students' education savings accounts on a quarterly basis.~~

~~e. Adopt rules and procedures as necessary for the administration of the education savings account program.~~

~~f. Upon the student's graduation from high school, the superintendent of public instruction shall close the student's account and transfer any remaining money in the account to the general fund in the state treasury.~~

~~2. The administrator shall provide to the parent of a participating student a written explanation of the allowable uses of education saving accounts, the responsibilities of the parent, and the duties of the administrator.~~

Participating schools - Department - Accountability standards.

1. ~~To ensure students are treated fairly and kept safe, each~~A participating ~~nonpublic~~ school shall:

a. Comply with all health and safety laws or codes that apply to nonpublic schools~~;~~.

b. Obtain certification of approval under section 15.1-06-06.1~~;~~.

c. Hold a valid occupancy permit if required by the school's municipality~~; and~~.

d. Certify the school complies with the nondiscrimination policies under [42 U.S.C. 1981].

~~2. To ensure funds are spent appropriately, a participating school shall:~~

~~a.~~e. Provide a parent with a receipt for all qualifying expenses at the school.

~~b. Demonstrate the school's financial viability, if the school is to receive fifty thousand dollars or more during the school year, by filing with the administrator before the start of the school year:~~

~~(1) A surety bond payable to the state in an amount equal to the aggregate amount of the funds from education savings accounts expected to be paid during the school year from students admitted at the participating school; or~~

~~(2) Financial information demonstrating the school has the ability to pay an aggregate amount equal to the amount of the funds from education savings accounts expected to be paid during the school year to students admitted to the participating school.~~

~~3. To allow parents and taxpayers to measure the achievements of the education savings account program:~~

~~a. Parents shall ensure:~~

~~(1) The~~

f. Refund any payment for which a good or service was not provided to the student due to a participating student terminating participation in the education savings account program. A tuition payment must be refunded pro rata determined by the school days remaining in the term for which the tuition was paid. A refund must be paid to the administrator who shall deposit the funds into the appropriate student's education savings account.

g. Ensure the eligible student ~~annually~~ takes the state ~~achievement tests~~assessments, or other nationally norm-referenced tests~~, or equivalent tests that~~, which measure learning gains in mathematics and English language arts, and provide for value-added assessment. ~~If a parent selects the state achievement test, the department shall pay associated costs and materials:~~

~~(2) The~~

h. Ensure the results of the tests are provided to the department ~~or an organization chosen by the state on an annual basis:~~

~~(3) The student information is reported in a way that allows the department to aggregate data by grade level, gender, family income level, and race; and~~

~~(4) The department, or an organization chosen by the department, is informed of the eligible student's graduation from high school.~~

~~b.~~2. The department, or an organization chosen by the department, shall:

~~(1)~~a. Ensure compliance with all student privacy laws~~;~~.

~~(2)~~b. Collect all test results~~;~~.

~~(3)~~c. Provide the test results, associated learning gains, and graduation rates to the public on the department's website after the third year of test and graduation-related data collection. The findings must be aggregated by the student's grade level, gender, family income level, number of years of participation in the education savings account program, and race~~;~~. Data aggregation related to assessments may be limited to the state assessment, as determined necessary by the department.

~~(4)~~d. Provide rates for high school graduation~~, college attendance, and college graduation~~ for participating students to the public on the department's website after the third year of test and test-related data collection~~; and~~

~~(5) Administer an annual parental satisfaction survey requesting each parent of a student receiving an education savings account program grant indicate the number of years the child has participated in the education savings account program and express the parent's:~~

~~(a) Satisfaction with the education savings account program; and~~

~~(b) Opinions on other topics, items, or issues that may indicate the effectiveness of the education savings account program.~~

~~4.~~3. A participating nonpublic school or other education service provider is autonomous and not an agent of the state or federal government and, except as provided under this chapter and in related rules, the:

a. ~~The department~~Department may not regulate the educational program of a participating nonpublic school or education service provider that accepts funds from an education savings account~~, except as provided under this chapter and chapter 15.1-23~~;

b. ~~The creation~~Creation of the education savings account program does not expand the regulatory authority of the state, its officers, or a school district to impose an

additional regulation of nonpublic schools or education service providers beyond the regulations necessary to enforce the requirements of the education savings account program; and

c. Participating nonpublic schools and education service providers must have the freedom to provide for the educational needs of the school's students without governmental control.

~~Department of public instruction - Administrator~~Program manager - Duties.

~~1.~~ The ~~administrator~~program manager shall:

~~a.~~1. Ensure eligible students and parents are informed annually of the schools that will be participating in the education savings account program.

~~b.~~2. ~~Create~~Provide a standard form a parent ~~of an eligible student~~ may submit to establish a student's eligibility for the education savings account program. The ~~administrator~~program manager shall ensure the application is readily available to interested families through various sources, including ~~the department's~~a website for the program.

~~c.~~3. Accept applications on a year-round basis and ~~shall~~ approve applications in a reasonable time frame.

~~d.~~4. Execute a multimedia marketing program targeting eligible families, especially those below the state's median household income, informing the families about the education savings account program and how to apply.

~~e.~~5. Establish a web and phone-based support system providing parents with education savings account program application support and ongoing account maintenance support.

~~2. The department may bar a participating school or education service provider from the education savings account program if the department determines the participating school or education provider has:~~

~~a. Routinely failed to comply with the accountability standards established under this chapter; or~~

~~b. Failed to provide the eligible student with the educational services funded by the education savings account.~~

~~3. If the department bars a participating school or education provider from the education savings account program, the department shall notify eligible students and parents of the decision as quickly as possible. A parent may appeal a decision of the department under chapter 28-32.~~

~~4. The department shall adopt rules and procedures as necessary for the administration of the education savings account program.~~

6. Provide to the parent of a participating student a written explanation of the allowable uses of education savings accounts, the responsibilities of the parent, and the duties of the program manager.

7. Ensure the administrator and the department are informed of a participating student's graduation from high school or a participating student's termination of participation in the education savings account program.

8. Coordinate with the administrator and the department to develop procedures to implement the program in accordance with this chapter and related rules.

9. Upon request, determine whether an expense is allowable. A parent may appeal a determination to the administrator.

10. Establish a procedure for a participating school to provide data to the department as required under this chapter.

11. Administer an annual parental satisfaction survey requesting each parent of a student receiving an education savings account program grant indicate the number of years the child has participated in the education savings account program and express the parent's:

a. Satisfaction with the education savings account program; and

b. Opinions on other topics, items, or issues that may indicate the effectiveness of the education savings account program.

School districts of residence - Duties.

The school district of residence:

1. Shall provide a participating school or education service provider that has admitted an eligible student under this chapter with a complete copy of the student's school records, while complying with the Family Educational Rights and Privacy Act of 1974 [20 U.S.C. Section 1232(g)].

2. May provide transportation for an eligible student to and from the participating school or education service provider under the same conditions as the school district of residence is required to provide transportation for other resident students to nonpublic schools. The school district of residence qualifies for state transportation aid for each student transported.

SECTION 2. EXEMPTION - COMPETITIVE BIDDING PROCESS - MAJOR INFORMATION TECHNOLOGY PROJECTS - BANK OF NORTH DAKOTA. Notwithstanding sections 54-44.4-05 and 54-59-32, the Bank of North Dakota, when establishing the education savings account program, is exempt from the competitive bidding process and major information technology project oversight.

SECTION 3. APPROPRIATION - BANK OF NORTH DAKOTA - EDUCATION SAVINGS ACCOUNT PROGRAM. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $40,000,000, or so much of the sum as may be necessary, to the Bank of North Dakota for the purpose of funding the education savings account program beginning in the school year 2026-27, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 4. EFFECTIVE DATE. Section 1 of this Act becomes effective on July 1, 2026.

SECTION 5. EMERGENCY. This Act is declared to be an emergency measure.

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations - Education and Environment Division
Sakakawea Room, State Capitol

HB 1540
4/14/2025

A BILL for an Act to create and enact a new chapter to title 15.1 of the North Dakota Century Code, relating to an education savings account program; to provide an appropriation; and to provide an effective date.

10:32 a.m. Chairman Sorvaag called the meeting to order.

Members Present: Chairman Ronald Sorvaag, Senator Cole Conley, Senator Donald Schaible, Senator Paul J. Thomas, Senator Scott Meyer.

Discussion Topics:

- Decrease Appropriations Amount.
- Defining of Means Test.

10:32 a.m. Senator Schaible submitted testimony in favor #44970 and presented most recent amendment to clarify language, to add a means test, and to alter appropriations.

10:37 a.m. Senator Thomas asked questions of the committee.

10:40 a.m. Senator Schaible moved the amendment LC# 25.1055.04010

10:40 a.m. Senator Thomas seconded the motion.

Senators	Vote
Senator Ronald Sorvaag	Y
Senator Cole Conley	Y
Senator Scott Meyer	Y
Senator Donald Schaible	Y
Senator Paul J. Thomas	Y

Motion Passed: 5-0-0.

10:41 a.m. Senator Schaible moved a Do Not pass as amended.

10:41 a.m. Senator Thomas seconded the motion.

Senators	Vote
Senator Ronald Sorvaag	Y
Senator Cole Conley	N
Senator Scott Meyer	N
Senator Donald Schaible	Y
Senator Paul J. Thomas	Y

Motion Passed: 3-2-0.

Senator Schaible will carry the bill.

10:45 a.m. Chairman Sorvaag adjourned the meeting.

Steven Hall, Committee Clerk

25.1055.04010
Title.
Fiscal No.1

Prepared by the Legislative Council staff for Senator Schaible

April 11, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO SECOND ENGROSSMENT

REENGROSSED HOUSE BILL NO. 1540

Introduced by

Representatives Koppelman, Hauck, J. Johnson, Marschall, Morton, Rohr, Steiner

Senators Clemens, Cory, Gerhardt, Wobbema, Boehm

In place of the amendments (25.1055.04004) adopted by the Senate, Reengrossed House Bill No. 1540 is amended by amendment (25.1055.04010) as follows:

A BILL for an Act to create and enact a new chapter to title 15.1 of the North Dakota Century Code, relating to an education savings account program; to provide an appropriation; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new chapter to title 15.1 of the North Dakota Century Code is created and enacted as follows:

Definitions.

As used in this chapter:

1. "Administrator" means ~~an organization registered by the secretary of state to do business in North Dakota and designated by~~ the Bank of North Dakota ~~to assist in the implementation of this chapter~~.
2. "Department" means the department of public instruction.
3. "Education service provider" means an individual or organization approved to provide qualified education services. The term does not include a participating school.
4. "Eligible postsecondary institution" means a community college, an accredited university, or an accredited private postsecondary institution.
5. "Eligible student" means~~:~~
   ~~a.~~ ~~An~~ an elementary or secondary student who is a resident of this state ~~and~~, is eligible to attend a public school~~; or~~

~~b. A student who has received a scholarship under the education savings account program until the student graduates high school or reaches twenty-one years of age, regardless of household income~~, and whose family's household income is less than four hundred percent of the federal poverty guidelines.

6. "Parent" means a resident of this state who is a parent, guardian, custodian, or other person with the authority to act on behalf of the ~~child~~eligible student.

7. "Participating school" means any nonpublic school providing education to elementary students, secondary students, or both ~~that~~, which charges tuition and has notified the administrator of the school's intention to participate in the education savings account program and comply with the education savings account program requirements under this chapter and related administrative rules.

8. "Private tutoring" means ~~qualified~~professional tutoring services approved by the program manager to receive payment under this chapter.

9. "Program manager" means an organization registered by the secretary of state to do business in North Dakota and designated by the Bank of North Dakota to assist in the implementation of this chapter.

~~Account deposits -~~ Parent agreement - Qualified expenses ~~- Enrollment~~.

1. ~~Beginning with the 2026-27 school year, the Bank of North Dakota annually shall deposit into each education savings account fifty percent of the statewide average amount distributed per student under subsection 5 of section 15.1-27-04.1 for the previous year.~~

~~2. The department shall give priority access to the education savings account program to the sibling of a student already enrolled in the education savings account program.~~

~~3.~~ A parent of an eligible student qualifies for ~~a state grant to the child's~~an education savings account ~~child~~for the student if the parent signs an agreement with the department promising:

a. To provide an education for the eligible student in at least the subjects of ~~reading, grammar~~English language arts, mathematics, social studies, and science;

b. Not to enroll the parent's eligible student in a public school or supervise home education under chapter 15.1-23 for the eligible student;

c. To use education savings account program funds solely for qualified expenses under this chapter;

d. To comply with the requirements outlined in this chapter and any related rules adopted by the Bank of North Dakota; and

e. If the participating student is a child with a disability, ~~to acknowledge~~ the parent has received information from the department and understands participation in the education savings account program qualifies as a parental placement of the parent's child under the Individuals with Disabilities Education Act [Pub. L. 108-446; 20 U.S.C. 1412(a)(10)(A)]~~: and~~

~~f. To notify the department if the parent's student terminates participation in the education savings account program and enrolls in a public school.~~

~~4.~~2. A parent participating in the education savings account program ~~shall~~may use the funds deposited in the eligible student's account for any of the following qualifying expenses to educate the eligible student:

a. Tuition and fees at a participating school;

b. A textbook required by a participating school;

c. Payment for private tutoring or to another educational service provider;

d. Payment for purchase of curriculum;

e. Tuition or fees for a nonpublic online learning program;

f. Fees for ~~national norm-referenced examinations,~~ advanced placement examinations or similar courses, and any examinations related to college or university admission;

g. Computer hardware, software, or other technological device that is used solely for a student's educational needs and approved by the ~~department or a licensed physician~~administrator, provided hardware purchased with education savings account funds may not be resold within ~~one year~~three years of purchase;

h. Reasonable fees for transportation paid to a fee-for-service transportation provider for the student to travel to and from an education service provider;

i. Tuition and fees at an eligible postsecondary institution; and

j. A textbook required for college or university courses.

~~5.~~3. A participating school, private tutor, eligible postsecondary institution, or other education service provider may not refund, rebate, or share a student's grant with a parent or ~~the~~ student in any manner. Any refund must be provided to the administrator who shall deposit the funds into the appropriate student's education savings account.

~~6.~~4. A parent may make a payment for the cost of educational programs and services not covered by the funds in the child's account.

~~7.~~

Bank of North Dakota - State treasurer - Duties - Transfer.

1. The Bank of North Dakota shall:
   a. Beginning with the 2026-27 school year, annually deposit into each education savings account fifty percent of the statewide average amount distributed per student under subsection 5 of section 15.1-27-04.1 for the previous year.
   b. Qualify an administrator to manage and administer education savings accounts.
   c. Establish the role and responsibilities of an administrator.
   d. Conduct or contract for the auditing of accounts and, at a minimum, conduct random audits of accounts on an annual basis. An administrator may conduct the audits. The Bank of North Dakota may determine a parent of an eligible student is ineligible for the education savings account program if the parent substantially misuses the funds in the account.
   e. Refer cases of substantial misuse of funds to law enforcement for investigation, if evidence of fraudulent use of an account is obtained.
   f. Make deposits into eligible students' education savings accounts on a quarterly basis.
   g. Adopt rules and procedures under chapter 28-32 for the administration of the education savings account program, as necessary.
   h. Upon a participating student's graduation from high school or termination of participation in the education savings account program, close the participating student's account and transfer any remaining money in the account to the general fund in the state treasury.

2. The Bank of North Dakota may bar a participating school or education service provider from the education savings account program if the administrator determines the participating school or education service provider has:

a. Routinely failed to comply with the accountability standards established under this chapter; or

b. Failed to provide a participating student with the educational services funded by the education savings account.

3. If the Bank of North Dakota bars a participating school or education provider from the education savings account program, the administrator shall notify eligible students and parents of the decision as quickly as possible. A parent may appeal a decision of the Bank of North Dakota under chapter 28-32.

4. The state treasurer annually shall transfer the funds required for education savings accounts from the general fund to the Bank of North Dakota for quarterly deposit in each education savings account.

~~8.~~5. Funds, not to exceed twenty-five percent of the amount under subsection 1, not expended over the course of a school year may be carried forward for use in the following school year for a child who remains in the education savings account program. If a parent removes a child from the education savings account program before the end of the school year, any remaining funds from that school year must be returned to the state and be allocated to fund other accounts. A student may transfer to another nonpublic school ~~or home school~~ and retain the funds in the education savings account.

~~9.~~6. Funds deposited in an education savings account do not constitute taxable income to the parent or the education savings account student.

7. The superintendent of public instruction may apply to a federal agency for additional funds to support this program. These funds must provide an additional benefit to each participating student's education savings account. If necessary to become eligible for the receipt of federal funds, the Bank of North Dakota, with consideration of advice provided by the superintendent of public instruction, shall adopt rules that supersede any conflicting law under this chapter.

~~**Bank of North Dakota - Administrator - Administration.**~~

~~1. The Bank of North Dakota shall:~~

~~a. Qualify private financial management firms to manage and administer education savings accounts.~~

~~b. Conduct or contract for the auditing of accounts and, at a minimum, conduct random audits of accounts on an annual basis. The Bank of North Dakota may make a parent of an eligible student ineligible for the education savings account program if the parent substantially misuses the funds in the account.~~

~~c. Refer cases of substantial misuse of funds to law enforcement for investigation if evidence of fraudulent use of an account is obtained.~~

~~d. Make payments to eligible students' education savings accounts on a quarterly basis.~~

~~e. Adopt rules and procedures as necessary for the administration of the education savings account program.~~

~~f. Upon the student's graduation from high school, the superintendent of public instruction shall close the student's account and transfer any remaining money in the account to the general fund in the state treasury.~~

~~2. The administrator shall provide to the parent of a participating student a written explanation of the allowable uses of education saving accounts, the responsibilities of the parent, and the duties of the administrator.~~

Participating schools - Department - Accountability standards.

1. ~~To ensure students are treated fairly and kept safe, each~~A participating ~~nonpublic~~ school shall:

   a. Comply with all health and safety laws or codes that apply to nonpublic schools~~;~~.

   b. Obtain certification of approval under section 15.1-06-06.1~~;~~.

   c. Hold a valid occupancy permit if required by the school's municipality~~; and~~.

   d. Certify the school complies with the nondiscrimination policies under [42 U.S.C. 1981].

~~2. To ensure funds are spent appropriately, a participating school shall:~~

~~a.~~e. Provide a parent with a receipt for all qualifying expenses at the school.

~~b. Demonstrate the school's financial viability, if the school is to receive fifty thousand dollars or more during the school year, by filing with the administrator before the start of the school year:~~

~~(1) A surety bond payable to the state in an amount equal to the aggregate amount of the funds from education savings accounts expected to be paid during the school year from students admitted at the participating school; or~~

~~(2) Financial information demonstrating the school has the ability to pay an aggregate amount equal to the amount of the funds from education savings accounts expected to be paid during the school year to students admitted to the participating school.~~

~~3. To allow parents and taxpayers to measure the achievements of the education savings account program:~~

~~a. Parents shall ensure:~~

~~(1) The~~

f. Refund any payment for which a good or service was not provided to the student due to a participating student terminating participation in the education savings account program. A tuition payment must be refunded pro rata determined by the school days remaining in the term for which the tuition was paid. A refund must be paid to the administrator who shall deposit the funds into the appropriate student's education savings account.

g. Ensure the eligible student ~~annually~~ takes the state ~~achievement tests~~assessments, or other nationally norm-referenced tests~~, or equivalent tests that~~, which measure learning gains in mathematics and English language arts, and provide for value-added assessment. If a parent selects the state ~~achievement test~~assessment, the department shall pay associated costs and materials~~;~~.

~~(2) The~~

h. Ensure the results of the tests are provided to the department ~~or an organization chosen by the state on an annual basis:~~

~~(3) The student information is reported in a way that allows the department to aggregate data by grade level, gender, family income level, and race; and~~

~~(4) The department, or an organization chosen by the department, is informed of the eligible student's graduation from high school.~~

~~b.~~2. The department, or an organization chosen by the department, shall:

~~(1)~~a. Ensure compliance with all student privacy laws~~:~~.

~~(2)~~b. Collect all test results~~:~~.

~~(3)~~c. Provide the test results, associated learning gains, and graduation rates to the public on the department's website after the third year of test and graduation-related data collection. The findings must be aggregated by the student's grade level, gender, family income level, number of years of participation in the education savings account program, and race~~:~~. Data aggregation related to assessments may be limited to the state assessment, as determined necessary by the department.

~~(4)~~d. Provide rates for high school graduation~~, college attendance, and college graduation~~ for participating students to the public on the department's website after the third year of test and test-related data collection~~; and~~

~~(5) Administer an annual parental satisfaction survey requesting each parent of a student receiving an education savings account program grant indicate the number of years the child has participated in the education savings account program and express the parent's:~~

~~(a) Satisfaction with the education savings account program; and~~

~~(b) Opinions on other topics, items, or issues that may indicate the effectiveness of the education savings account program.~~

~~4.~~3. A participating nonpublic school or other education service provider is autonomous and not an agent of the state or federal government and, except as provided under this chapter and in related rules, the:

a. ~~The department~~Department may not regulate the educational program of a participating nonpublic school or education service provider that accepts funds from an education savings account~~, except as provided under this chapter and chapter 15.1-23~~;

b. ~~The creation~~Creation of the education savings account program does not expand the regulatory authority of the state, its officers, or a school district to impose an

additional regulation of nonpublic schools or education service providers beyond the regulations necessary to enforce the requirements of the education savings account program; and

c. Participating nonpublic schools and education service providers must have the freedom to provide for the educational needs of the school's students without governmental control.

~~Department of public instruction -~~ **Administrator - Duties.**

~~1.~~ The administrator shall:

~~a.~~1. Ensure eligible students and parents are informed annually of the schools that will be participating in the education savings account program.

~~b.~~2. Create a standard form a parent of an eligible student may submit to establish a student's eligibility for the education savings account program. The administrator shall ensure the application is readily available to interested families through various sources, including the department's website.

~~c.~~3. Accept applications on a year-round basis and shall approve applications in a reasonable time frame.

~~d.~~4. Execute a multimedia marketing program targeting eligible families, especially those below the state's median household income, informing the families about the education savings account program and how to apply.

~~e.~~5. Establish a web and phone-based support system providing parents with education savings account program application support and ongoing account maintenance support.

~~2. The department may bar a participating school or education service provider from the education savings account program if the department determines the participating school or education provider has:~~

~~a. Routinely failed to comply with the accountability standards established under this chapter; or~~

~~b. Failed to provide the eligible student with the educational services funded by the education savings account.~~

~~3. If the department bars a participating school or education provider from the education savings account program, the department shall notify eligible students and parents of~~

~~the decision as quickly as possible. A parent may appeal a decision of the department under chapter 28-32.~~

~~4. The department shall adopt rules and procedures as necessary for the administration of the education savings account program.~~

6. Provide to the parent of a participating student a written explanation of the allowable uses of education savings accounts, the responsibilities of the parent, and the duties of the administrator.

7. Ensure the department is informed of a participating student's graduation from high school or a participating student's termination of participation in the education savings account program.

8. Coordinate with the Bank of North Dakota to develop procedures to implement the program in accordance with this chapter and related rules.

9. Upon request, determine whether an expense is allowable.

10. Establish a procedure for a participating school to provide data to the department as required under this chapter.

11. Administer an annual parental satisfaction survey requesting each parent of a student receiving an education savings account program grant indicate the number of years the child has participated in the education savings account program and express the parent's:

a. Satisfaction with the education savings account program; and

b. Opinions on other topics, items, or issues that may indicate the effectiveness of the education savings account program.

School districts of residence - Duties.

The school district of residence:

1. Shall provide a participating school or education service provider that has admitted an eligible student under this chapter with a complete copy of the student's school records, while complying with the Family Educational Rights and Privacy Act of 1974 [20 U.S.C. Section 1232(g)].

2. May provide transportation for an eligible student to and from the participating school or education service provider under the same conditions as the school district of residence is required to provide transportation for other resident students to nonpublic

schools. The school district of residence qualifies for state transportation aid for each student transported.

SECTION 2. APPROPRIATION - BANK OF NORTH DAKOTA - EDUCATION SAVINGS ACCOUNT PROGRAM. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of ~~$40,000,000~~$21,700,000, or so much of the sum as may be necessary, to the Bank of North Dakota for the purpose of implementing the education savings account program and funding ~~the~~ education savings ~~account program~~accounts beginning in the school year 2026-27, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 3. EFFECTIVE DATE. Section 1 of this Act becomes effective on July 1, 2026.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1540 - Bank of North Dakota - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Education savings account program		$40,000,000	($18,300,000)	$21,700,000
Total all funds	$0	$40,000,000	($18,300,000)	$21,700,000
Less estimated income	0	0	0	0
General fund	$0	$40,000,000	($18,300,000)	$21,700,000
FTE	0.00	0.00	0.00	0.00

Department 471 - Bank of North Dakota - Detail of Senate Changes

	Decreases Funding for Education Savings Account Program[1]	Total Senate Changes
Education savings account program	($18,300,000)	($18,300,000)
Total all funds	($18,300,000)	($18,300,000)
Less estimated income	0	0
General fund	($18,300,000)	($18,300,000)
FTE	0.00	0.00

[1] Based on the requirement that eligible families have a household income less than 400 percent of the federal poverty guidelines, funding for the education savings account program is decreased to provide a total of $21.7 million, including funding for implementation costs of the program.

2025 SENATE STANDING COMMITTEE MINUTES

Appropriations Committee
Harvest Room, State Capitol

HB 1540
4/15/2025

A BILL for an Act to create and enact a new chapter to title 15.1 of the North Dakota Century Code, relating to an education savings account program; to provide an appropriation; and to provide an effective date.

4:07 p.m. Vice-Chair Erbele opened the hearing.

Members Present: Vice-Chairman Erbele, and Senators Burckhard, Cleary, Conley, Davison, Dever, Dwyer, Magrum, Mathern, Meyer, Schaible, Sickler, Sorvaag, Thomas, Wanzek.
Members Absent: Chairman Bekkedahl.

Discussion Topics:

- House Family Income Federal Poverty Guidelines
- Means Test
- Tiered System
- DPI vs. BND Program Administration
- Per Pupil Payment

4:08 p.m. Senator Schaible introduced the bill and submitted testimony #45012.

4:11 p.m. Senator Schaible moved amendment LC 25.1055.04010.

4:11 p.m. Senator Sorvaag seconded the motion.

Senators	Vote
Senator Brad Bekkedahl	A
Senator Robert Erbele	Y
Senator Randy A. Burckhard	Y
Senator Sean Cleary	Y
Senator Cole Conley	Y
Senator Kyle Davison	Y
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Jeffery J. Magrum	Y
Senator Tim Mathern	Y
Senator Scott Meyer	Y
Senator Donald Schaible	Y
Senator Jonathan Sickler	Y
Senator Ronald Sorvaag	Y
Senator Paul J. Thomas	Y
Senator Terry M. Wanzek	Y

Motion Passed 15-0-1.

4:22 p.m. Senator Schaible moved a Do Not Pass as Amended.

4:22 p.m. Senator Sorvaag seconded the motion.

Senators	Vote
Senator Brad Bekkedahl	A
Senator Robert Erbele	Y
Senator Randy A. Burckhard	N
Senator Sean Cleary	N
Senator Cole Conley	N
Senator Kyle Davison	N
Senator Dick Dever	N
Senator Michael Dwyer	N
Senator Jeffery J. Magrum	N
Senator Tim Mathern	Y
Senator Scott Meyer	N
Senator Donald Schaible	Y
Senator Jonathan Sickler	N
Senator Ronald Sorvaag	Y
Senator Paul J. Thomas	Y
Senator Terry M. Wanzek	N

Motion Failed 5-10-1.

4:34 p.m. Senator Magrum moved a Do Pass as Amended.

4:34 p.m. Senator Wanzek seconded the motion.

Senators	Vote
Senator Brad Bekkedahl	A
Senator Robert Erbele	N
Senator Randy A. Burckhard	Y
Senator Sean Cleary	Y
Senator Cole Conley	Y
Senator Kyle Davison	N
Senator Dick Dever	Y
Senator Michael Dwyer	Y
Senator Jeffery J. Magrum	Y
Senator Tim Mathern	N
Senator Scott Meyer	Y
Senator Donald Schaible	N
Senator Jonathan Sickler	Y
Senator Ronald Sorvaag	N
Senator Paul J. Thomas	N
Senator Terry M. Wanzek	Y

Motion Passed 9-6-1.

Senator Wobbema will carry the bill.

4:35 p.m. Vice-Chairman Erbele adjourned the meeting.

Elizabeth Reiten, Committee Clerk

25.1055.04010
Title.06000
Fiscal No.1

Prepared by the Legislative Council staff for Senator Schaible

April 11, 2025

CO 4/15/25 10f12

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO SECOND ENGROSSMENT

REENGROSSED HOUSE BILL NO. 1540

Introduced by

Representatives Koppelman, Hauck, J. Johnson, Marschall, Morton, Rohr, Steiner

Senators Clemens, Cory, Gerhardt, Wobbema, Boehm

In place of the amendments (25.1055.04004) adopted by the Senate, Reengrossed House Bill No. 1540 is amended by amendment (25.1055.04010) as follows:

A BILL for an Act to create and enact a new chapter to title 15.1 of the North Dakota Century Code, relating to an education savings account program; to provide an appropriation; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new chapter to title 15.1 of the North Dakota Century Code is created and enacted as follows:

Definitions.

As used in this chapter:

1. "Administrator" means ~~an organization registered by the secretary of state to do business in North Dakota and designated by~~ the Bank of North Dakota ~~to assist in the implementation of this chapter~~.
2. "Department" means the department of public instruction.
3. "Education service provider" means an individual or organization approved to provide qualified education services. The term does not include a participating school.
4. "Eligible postsecondary institution" means a community college, an accredited university, or an accredited private postsecondary institution.
5. "Eligible student" means~~:~~
   ~~a.~~ ~~An~~ an elementary or secondary student who is a resident of this state ~~and~~, is eligible to attend a public school~~; or~~

~~b. A student who has received a scholarship under the education savings account program until the student graduates high school or reaches twenty-one years of age, regardless of household income~~, and whose family's household income is less than four hundred percent of the federal poverty guidelines.

6. "Parent" means a resident of this state who is a parent, guardian, custodian, or other person with the authority to act on behalf of the ~~child~~eligible student.

7. "Participating school" means any nonpublic school providing education to elementary students, secondary students, or both ~~that~~, which charges tuition and has notified the administrator of the school's intention to participate in the education savings account program and comply with the education savings account program requirements under this chapter and related administrative rules.

8. "Private tutoring" means ~~qualified~~professional tutoring services approved by the program manager to receive payment under this chapter.

9. "Program manager" means an organization registered by the secretary of state to do business in North Dakota and designated by the Bank of North Dakota to assist in the implementation of this chapter.

~~Account deposits -~~ Parent agreement - Qualified expenses ~~- Enrollment~~.

1. ~~Beginning with the 2026-27 school year, the Bank of North Dakota annually shall deposit into each education savings account fifty percent of the statewide average amount distributed per student under subsection 5 of section 15.1-27-04.1 for the previous year.~~

~~2. The department shall give priority access to the education savings account program to the sibling of a student already enrolled in the education savings account program.~~

~~3.~~ A parent of an eligible student qualifies for ~~a state grant to the child's~~an education savings account ~~child~~for the student if the parent signs an agreement with the department promising:

a. To provide an education for the eligible student in at least the subjects of ~~reading, grammar~~English language arts, mathematics, social studies, and science;

b. Not to enroll the parent's eligible student in a public school or supervise home education under chapter 15.1-23 for the eligible student;

c. To use education savings account program funds solely for qualified expenses under this chapter;

d. To comply with the requirements outlined in this chapter and any related rules adopted by the Bank of North Dakota; and

e. If the participating student is a child with a disability, ~~to acknowledge~~ the parent has received information from the department and understands participation in the education savings account program qualifies as a parental placement of the parent's child under the Individuals with Disabilities Education Act [Pub. L. 108-446; 20 U.S.C. 1412(a)(10)(A)]~~; and~~

~~f. To notify the department if the parent's student terminates participation in the education savings account program and enrolls in a public school.~~

~~4.~~2. A parent participating in the education savings account program ~~shall~~may use the funds deposited in the eligible student's account for any of the following qualifying expenses to educate the eligible student:

a. Tuition and fees at a participating school;

b. A textbook required by a participating school;

c. Payment for private tutoring or to another educational service provider;

d. Payment for purchase of curriculum;

e. Tuition or fees for a nonpublic online learning program;

f. Fees for ~~national norm-referenced examinations,~~ advanced placement examinations or similar courses, and any examinations related to college or university admission;

g. Computer hardware, software, or other technological device that is used solely for a student's educational needs and approved by the ~~department or a licensed physician~~administrator, provided hardware purchased with education savings account funds may not be resold within ~~one year~~three years of purchase;

h. Reasonable fees for transportation paid to a fee-for-service transportation provider for the student to travel to and from an education service provider;

i. Tuition and fees at an eligible postsecondary institution; and

j. A textbook required for college or university courses.

~~5.~~3. A participating school, private tutor, eligible postsecondary institution, or other education service provider may not refund, rebate, or share a student's grant with a parent or ~~the~~ student in any manner. Any refund must be provided to the administrator who shall deposit the funds into the appropriate student's education savings account.

~~6.~~4. A parent may make a payment for the cost of educational programs and services not covered by the funds in the child's account.

~~7.~~

Bank of North Dakota - State treasurer - Duties - Transfer.

1. The Bank of North Dakota shall:

a. Beginning with the 2026-27 school year, annually deposit into each education savings account fifty percent of the statewide average amount distributed per student under subsection 5 of section 15.1-27-04.1 for the previous year.

b. Qualify a program manager to manage and administer education savings accounts.

c. Establish the role and responsibilities of a program manager.

d. Conduct or contract for the auditing of accounts and, at a minimum, conduct random audits of accounts on an annual basis. A program manager may conduct the audits. The Bank of North Dakota may determine a parent of an eligible student is ineligible for the education savings account program if the parent substantially misuses the funds in the account.

e. Refer cases of substantial misuse of funds to law enforcement for investigation, if evidence of fraudulent use of an account is obtained.

f. Make deposits into eligible students' education savings accounts on a quarterly basis.

g. Adopt rules and procedures under chapter 28-32 for the administration of the education savings account program, as necessary.

h. Upon a participating student's graduation from high school or termination of participation in the education savings account program, close the participating student's account and transfer any remaining money in the account to the general fund in the state treasury.

2. The Bank of North Dakota may bar a participating school or education service provider from the education savings account program if the administrator determines the participating school or education service provider has:

a. Routinely failed to comply with the accountability standards established under this chapter; or

b. Failed to provide a participating student with the educational services funded by the education savings account.

3. If the Bank of North Dakota bars a participating school or education provider from the education savings account program, the program manager shall notify eligible students and parents of the decision as quickly as possible. A parent may appeal a decision of the Bank of North Dakota under chapter 28-32.

4. The state treasurer annually shall transfer the funds required for education savings accounts from the general fund to the Bank of North Dakota for quarterly deposit in each education savings account.

~~8.~~5. Funds, not to exceed twenty-five percent of the amount under subsection 1, not expended over the course of a school year may be carried forward for use in the following school year for a child who remains in the education savings account program. If a parent removes a child from the education savings account program before the end of the school year, any remaining funds from that school year must be returned to the state and be allocated to fund other accounts. A student may transfer to another nonpublic school ~~or home school~~ and retain the funds in the education savings account.

~~9.~~6. Funds deposited in an education savings account do not constitute taxable income to the parent or the education savings account student.

7. The superintendent of public instruction may apply to a federal agency for additional funds to support this program. These funds must provide an additional benefit to each participating student's education savings account. If necessary to become eligible for the receipt of federal funds, the Bank of North Dakota, with consideration of advice provided by the superintendent of public instruction, shall adopt rules that supersede any conflicting law under this chapter.

~~**Bank of North Dakota - Administrator - Administration.**~~

~~1. The Bank of North Dakota shall:~~

~~a. Qualify private financial management firms to manage and administer education savings accounts.~~

~~b. Conduct or contract for the auditing of accounts and, at a minimum, conduct random audits of accounts on an annual basis. The Bank of North Dakota may make a parent of an eligible student ineligible for the education savings account program if the parent substantially misuses the funds in the account.~~

~~c. Refer cases of substantial misuse of funds to law enforcement for investigation if evidence of fraudulent use of an account is obtained.~~

~~d. Make payments to eligible students' education savings accounts on a quarterly basis.~~

~~e. Adopt rules and procedures as necessary for the administration of the education savings account program.~~

~~f. Upon the student's graduation from high school, the superintendent of public instruction shall close the student's account and transfer any remaining money in the account to the general fund in the state treasury.~~

~~2. The administrator shall provide to the parent of a participating student a written explanation of the allowable uses of education saving accounts, the responsibilities of the parent, and the duties of the administrator.~~

Participating schools - Department - Accountability standards.

1. ~~To ensure students are treated fairly and kept safe, each~~A participating ~~nonpublic~~ school shall:

a. Comply with all health and safety laws or codes that apply to nonpublic schools~~;~~.

b. Obtain certification of approval under section 15.1-06-06.1~~;~~.

c. Hold a valid occupancy permit if required by the school's municipality~~; and~~.

d. Certify the school complies with the nondiscrimination policies under [42 U.S.C. 1981].

~~2. To ensure funds are spent appropriately, a participating school shall:~~

~~a.~~e. Provide a parent with a receipt for all qualifying expenses at the school.

~~b. Demonstrate the school's financial viability, if the school is to receive fifty thousand dollars or more during the school year, by filing with the administrator before the start of the school year:~~

~~(1) A surety bond payable to the state in an amount equal to the aggregate amount of the funds from education savings accounts expected to be paid during the school year from students admitted at the participating school; or~~

~~(2) Financial information demonstrating the school has the ability to pay an aggregate amount equal to the amount of the funds from education savings accounts expected to be paid during the school year to students admitted to the participating school.~~

~~3. To allow parents and taxpayers to measure the achievements of the education savings account program:~~

~~a. Parents shall ensure:~~

~~(1) The~~

f. Refund any payment for which a good or service was not provided to the student due to a participating student terminating participation in the education savings account program. A tuition payment must be refunded pro rata determined by the school days remaining in the term for which the tuition was paid. A refund must be paid to the administrator who shall deposit the funds into the appropriate student's education savings account.

g. Ensure the eligible student ~~annually~~ takes the state ~~achievement tests~~assessments, or other nationally norm-referenced tests~~, or equivalent tests that~~, which measure learning gains in mathematics and English language arts, and provide for value-added assessment. If a parent selects the state ~~achievement test~~assessment, the department shall pay associated costs and materials~~:~~.

~~(2) The~~

h. Ensure the results of the tests are provided to the department ~~or an organization chosen by the state on an annual basis;~~

~~(3) The student information is reported in a way that allows the department to aggregate data by grade level, gender, family income level, and race; and~~

~~(4) The department, or an organization chosen by the department, is informed of the eligible student's graduation from high school.~~

~~b.~~2. The department, or an organization chosen by the department, shall:

~~(1)~~a. Ensure compliance with all student privacy laws~~;~~.

~~(2)~~b. Collect all test results~~;~~.

~~(3)~~c. Provide the test results, associated learning gains, and graduation rates to the public on the department's website after the third year of test and graduation-related data collection. The findings must be aggregated by the student's grade level, gender, family income level, number of years of participation in the education savings account program, and race~~;~~. Data aggregation related to assessments may be limited to the state assessment, as determined necessary by the department.

~~(4)~~d. Provide rates for high school graduation~~, college attendance, and college graduation~~ for participating students to the public on the department's website after the third year of test and test-related data collection~~; and~~

~~(5) Administer an annual parental satisfaction survey requesting each parent of a student receiving an education savings account program grant indicate the number of years the child has participated in the education savings account program and express the parent's:~~

~~(a) Satisfaction with the education savings account program; and~~

~~(b) Opinions on other topics, items, or issues that may indicate the effectiveness of the education savings account program.~~

~~4.~~3. A participating nonpublic school or other education service provider is autonomous and not an agent of the state or federal government and, except as provided under this chapter and in related rules, the:

a. ~~The department~~Department may not regulate the educational program of a participating nonpublic school or education service provider that accepts funds from an education savings account~~, except as provided under this chapter and chapter 15.1-23~~;

b. ~~The creation~~Creation of the education savings account program does not expand the regulatory authority of the state, its officers, or a school district to impose an

additional regulation of nonpublic schools or education service providers beyond the regulations necessary to enforce the requirements of the education savings account program; and

c. Participating nonpublic schools and education service providers must have the freedom to provide for the educational needs of the school's students without governmental control.

~~Department of public instruction - Administrator~~Program manager - Duties.

~~1.~~ The ~~administrator~~program manager shall:

~~a.~~1. Ensure eligible students and parents are informed annually of the schools that will be participating in the education savings account program.

~~b.~~2. Create a standard form a parent of an eligible student may submit to establish a student's eligibility for the education savings account program. The ~~administrator~~program manager shall ensure the application is readily available to interested families through various sources, including the department's website.

~~c.~~3. Accept applications on a year-round basis and shall approve applications in a reasonable time frame.

~~d.~~4. Execute a multimedia marketing program targeting eligible families, especially those below the state's median household income, informing the families about the education savings account program and how to apply.

~~e.~~5. Establish a web and phone-based support system providing parents with education savings account program application support and ongoing account maintenance support.

~~2. The department may bar a participating school or education service provider from the education savings account program if the department determines the participating school or education provider has:~~

~~a. Routinely failed to comply with the accountability standards established under this chapter; or~~

~~b. Failed to provide the eligible student with the educational services funded by the education savings account.~~

~~3. If the department bars a participating school or education provider from the education savings account program, the department shall notify eligible students and parents of~~

~~the decision as quickly as possible. A parent may appeal a decision of the department under chapter 28-32.~~

~~4. The department shall adopt rules and procedures as necessary for the administration of the education savings account program.~~

6. Provide to the parent of a participating student a written explanation of the allowable uses of education savings accounts, the responsibilities of the parent, and the duties of the program manager.

7. Ensure the department is informed of a participating student's graduation from high school or a participating student's termination of participation in the education savings account program.

8. Coordinate with the Bank of North Dakota to develop procedures to implement the program in accordance with this chapter and related rules.

9. Upon request, determine whether an expense is allowable.

10. Establish a procedure for a participating school to provide data to the department as required under this chapter.

11. Administer an annual parental satisfaction survey requesting each parent of a student receiving an education savings account program grant indicate the number of years the child has participated in the education savings account program and express the parent's:

a. Satisfaction with the education savings account program; and

b. Opinions on other topics, items, or issues that may indicate the effectiveness of the education savings account program.

School districts of residence - Duties.

The school district of residence:

1. Shall provide a participating school or education service provider that has admitted an eligible student under this chapter with a complete copy of the student's school records, while complying with the Family Educational Rights and Privacy Act of 1974 [20 U.S.C. Section 1232(g)].

2. May provide transportation for an eligible student to and from the participating school or education service provider under the same conditions as the school district of residence is required to provide transportation for other resident students to nonpublic

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schools. The school district of residence qualifies for state transportation aid for each student transported.

SECTION 2. APPROPRIATION - BANK OF NORTH DAKOTA - EDUCATION SAVINGS ACCOUNT PROGRAM. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of ~~$40,000,000~~$21,700,000, or so much of the sum as may be necessary, to the Bank of North Dakota for the purpose of implementing the education savings account program and funding ~~the~~ education savings ~~account program~~accounts beginning in the school year 2026-27, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 3. EFFECTIVE DATE. Section 1 of this Act becomes effective on July 1, 2026.

120f12

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1540 - Bank of North Dakota - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Education savings account program		$40,000,000	($18,300,000)	$21,700,000
Total all funds	$0	$40,000,000	($18,300,000)	$21,700,000
Less estimated income	0	0	0	0
General fund	$0	$40,000,000	($18,300,000)	$21,700,000
FTE	0.00	0.00	0.00	0.00

Department 471 - Bank of North Dakota - Detail of Senate Changes

	Decreases Funding for Education Savings Account Program[1]	Total Senate Changes
Education savings account program	($18,300,000)	($18,300,000)
Total all funds	($18,300,000)	($18,300,000)
Less estimated income	0	0
General fund	($18,300,000)	($18,300,000)
FTE	0.00	0.00

[1] Based on the requirement that eligible families have a household income less than 400 percent of the federal poverty guidelines, funding for the education savings account program is decreased to provide a total of $21.7 million, including funding for implementation costs of the program.

REPORT OF STANDING COMMITTEE
REENGROSSED AND AMENDED HB 1540

Appropriations Committee (Sen. Bekkedahl, Chairman) recommends **AMENDMENTS (25.1055.04010)** and when so amended, recommends **DO PASS** (9 YEAS, 6 NAYS, 1 ABSENT OR EXCUSED AND NOT VOTING). Reengrossed HB 1540, as amended, was placed on the Sixth order on the calendar. This bill does not affect workforce development.

25.1055.04010
Title.
Fiscal No.1

Prepared by the Legislative Council staff for Senator Schaible

April 11, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO SECOND ENGROSSMENT

REENGROSSED HOUSE BILL NO. 1540

Introduced by

Representatives Koppelman, Hauck, J. Johnson, Marschall, Morton, Rohr, Steiner

Senators Clemens, Cory, Gerhardt, Wobbema, Boehm

In place of the amendments (25.1055.04004) adopted by the Senate, Reengrossed House Bill No. 1540 is amended by amendment (25.1055.04010) as follows:

A BILL for an Act to create and enact a new chapter to title 15.1 of the North Dakota Century Code, relating to an education savings account program; to provide an appropriation; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new chapter to title 15.1 of the North Dakota Century Code is created and enacted as follows:

Definitions.

As used in this chapter:

1. "Administrator" means ~~an organization registered by the secretary of state to do business in North Dakota and designated by~~ the Bank of North Dakota ~~to assist in the implementation of this chapter~~.
2. "Department" means the department of public instruction.
3. "Education service provider" means an individual or organization approved to provide qualified education services. The term does not include a participating school.
4. "Eligible postsecondary institution" means a community college, an accredited university, or an accredited private postsecondary institution.
5. "Eligible student" means:
   ~~a.~~ ~~An~~ an elementary or secondary student who is a resident of this state ~~and~~, is eligible to attend a public school; ~~or~~

~~b. A student who has received a scholarship under the education savings account program until the student graduates high school or reaches twenty-one years of age, regardless of household income~~, and whose family's household income is less than four hundred percent of the federal poverty guidelines.

6. "Parent" means a resident of this state who is a parent, guardian, custodian, or other person with the authority to act on behalf of the ~~child~~eligible student.

7. "Participating school" means any nonpublic school providing education to elementary students, secondary students, or both ~~that~~, which charges tuition and has notified the administrator of the school's intention to participate in the education savings account program and comply with the education savings account program requirements under this chapter and related administrative rules.

8. "Private tutoring" means ~~qualified~~professional tutoring services approved by the program manager to receive payment under this chapter.

~~9.~~ "Program manager" means an organization registered by the secretary of state to do business in North Dakota and designated by the Bank of North Dakota to assist in the implementation of this chapter.

~~Account deposits - Parent agreement - Qualified expenses - Enrollment.~~

1. ~~Beginning with the 2026-27 school year, the Bank of North Dakota annually shall deposit into each education savings account fifty percent of the statewide average amount distributed per student under subsection 5 of section 15.1-27-04.1 for the previous year.~~

~~2. The department shall give priority access to the education savings account program to the sibling of a student already enrolled in the education savings account program.~~

~~3.~~ A parent of an eligible student qualifies for ~~a state grant to the child's~~an education savings account ~~child~~for the student if the parent signs an agreement with the department promising:

a. To provide an education for the eligible student in at least the subjects of ~~reading, grammar~~English language arts, mathematics, social studies, and science;

b. Not to enroll the parent's eligible student in a public school or supervise home education under chapter 15.1-23 for the eligible student;

c. To use education savings account program funds solely for qualified expenses under this chapter;

d. To comply with the requirements outlined in this chapter and any related rules adopted by the Bank of North Dakota; and

e. If the participating student is a child with a disability, ~~to acknowledge~~ the parent has received information from the department and understands participation in the education savings account program qualifies as a parental placement of the parent's child under the Individuals with Disabilities Education Act [Pub. L. 108-446; 20 U.S.C. 1412(a)(10)(A)]~~; and~~

~~f. To notify the department if the parent's student terminates participation in the education savings account program and enrolls in a public school.~~

~~4.~~2. A parent participating in the education savings account program ~~shall~~may use the funds deposited in the eligible student's account for any of the following qualifying expenses to educate the eligible student:

a. Tuition and fees at a participating school;

b. A textbook required by a participating school;

c. Payment for private tutoring or to another educational service provider;

d. Payment for purchase of curriculum;

e. Tuition or fees for a nonpublic online learning program;

f. Fees for ~~national norm-referenced examinations,~~ advanced placement examinations or similar courses, and any examinations related to college or university admission;

g. Computer hardware, software, or other technological device that is used solely for a student's educational needs and approved by the ~~department or a licensed physician~~administrator, provided hardware purchased with education savings account funds may not be resold within ~~one year~~three years of purchase;

h. Reasonable fees for transportation paid to a fee-for-service transportation provider for the student to travel to and from an education service provider;

i. Tuition and fees at an eligible postsecondary institution; and

j. A textbook required for college or university courses.

~~5.~~3. A participating school, private tutor, eligible postsecondary institution, or other education service provider may not refund, rebate, or share a student's grant with a parent or ~~the~~ student in any manner. Any refund must be provided to the administrator who shall deposit the funds into the appropriate student's education savings account.

~~6.~~4. A parent may make a payment for the cost of educational programs and services not covered by the funds in the child's account.

~~7.~~

Bank of North Dakota - State treasurer - Duties - Transfer.

1. The Bank of North Dakota shall:

a. Beginning with the 2026-27 school year, annually deposit into each education savings account fifty percent of the statewide average amount distributed per student under subsection 5 of section 15.1-27-04.1 for the previous year.

b. Qualify an administrator to manage and administer education savings accounts.

c. Establish the role and responsibilities of an administrator.

d. Conduct or contract for the auditing of accounts and, at a minimum, conduct random audits of accounts on an annual basis. An administrator may conduct the audits. The Bank of North Dakota may determine a parent of an eligible student is ineligible for the education savings account program if the parent substantially misuses the funds in the account.

e. Refer cases of substantial misuse of funds to law enforcement for investigation, if evidence of fraudulent use of an account is obtained.

f. Make deposits into eligible students' education savings accounts on a quarterly basis.

g. Adopt rules and procedures under chapter 28-32 for the administration of the education savings account program, as necessary.

h. Upon a participating student's graduation from high school or termination of participation in the education savings account program, close the participating student's account and transfer any remaining money in the account to the general fund in the state treasury.

2. The Bank of North Dakota may bar a participating school or education service provider from the education savings account program if the administrator determines the participating school or education service provider has:
   a. Routinely failed to comply with the accountability standards established under this chapter; or
   b. Failed to provide a participating student with the educational services funded by the education savings account.
3. If the Bank of North Dakota bars a participating school or education provider from the education savings account program, the administrator shall notify eligible students and parents of the decision as quickly as possible. A parent may appeal a decision of the Bank of North Dakota under chapter 28-32.
4. The state treasurer annually shall transfer the funds required for education savings accounts from the general fund to the Bank of North Dakota for quarterly deposit in each education savings account.

~~8.~~5. Funds, not to exceed twenty-five percent of the amount under subsection 1, not expended over the course of a school year may be carried forward for use in the following school year for a child who remains in the education savings account program. If a parent removes a child from the education savings account program before the end of the school year, any remaining funds from that school year must be returned to the state and be allocated to fund other accounts. A student may transfer to another nonpublic school ~~or home school~~ and retain the funds in the education savings account.

~~9.~~6. Funds deposited in an education savings account do not constitute taxable income to the parent or the education savings account student.

7. The superintendent of public instruction may apply to a federal agency for additional funds to support this program. These funds must provide an additional benefit to each participating student's education savings account. If necessary to become eligible for the receipt of federal funds, the Bank of North Dakota, with consideration of advice provided by the superintendent of public instruction, shall adopt rules that supersede any conflicting law under this chapter.

~~**Bank of North Dakota - Administrator - Administration.**~~

~~1. The Bank of North Dakota shall:~~

~~a. Qualify private financial management firms to manage and administer education savings accounts.~~

~~b. Conduct or contract for the auditing of accounts and, at a minimum, conduct random audits of accounts on an annual basis. The Bank of North Dakota may make a parent of an eligible student ineligible for the education savings account program if the parent substantially misuses the funds in the account.~~

~~c. Refer cases of substantial misuse of funds to law enforcement for investigation if evidence of fraudulent use of an account is obtained.~~

~~d. Make payments to eligible students' education savings accounts on a quarterly basis.~~

~~e. Adopt rules and procedures as necessary for the administration of the education savings account program.~~

~~f. Upon the student's graduation from high school, the superintendent of public instruction shall close the student's account and transfer any remaining money in the account to the general fund in the state treasury.~~

~~2. The administrator shall provide to the parent of a participating student a written explanation of the allowable uses of education saving accounts, the responsibilities of the parent, and the duties of the administrator.~~

Participating schools - Department - Accountability standards.

1. ~~To ensure students are treated fairly and kept safe, each~~A participating ~~nonpublic~~ school shall:

   a. Comply with all health and safety laws or codes that apply to nonpublic schools~~;~~.

   b. Obtain certification of approval under section 15.1-06-06.1~~;~~.

   c. Hold a valid occupancy permit if required by the school's municipality~~; and~~.

   d. Certify the school complies with the nondiscrimination policies under [42 U.S.C. 1981].

~~2. To ensure funds are spent appropriately, a participating school shall:~~

~~a.~~e. Provide a parent with a receipt for all qualifying expenses at the school.

~~b. Demonstrate the school's financial viability, if the school is to receive fifty thousand dollars or more during the school year, by filing with the administrator before the start of the school year:~~

~~(1) A surety bond payable to the state in an amount equal to the aggregate amount of the funds from education savings accounts expected to be paid during the school year from students admitted at the participating school; or~~

~~(2) Financial information demonstrating the school has the ability to pay an aggregate amount equal to the amount of the funds from education savings accounts expected to be paid during the school year to students admitted to the participating school.~~

~~3. To allow parents and taxpayers to measure the achievements of the education savings account program:~~

~~a. Parents shall ensure:~~

~~(1) The~~

f. Refund any payment for which a good or service was not provided to the student due to a participating student terminating participation in the education savings account program. A tuition payment must be refunded pro rata determined by the school days remaining in the term for which the tuition was paid. A refund must be paid to the administrator who shall deposit the funds into the appropriate student's education savings account.

g. Ensure the eligible student ~~annually~~ takes the state ~~achievement tests~~assessments, or other nationally norm-referenced tests~~, or equivalent tests that~~, which measure learning gains in mathematics and English language arts, and provide for value-added assessment. If a parent selects the state ~~achievement test~~assessment, the department shall pay associated costs and materials~~:~~.

~~(2) The~~

h. Ensure the results of the tests are provided to the department ~~or an organization chosen by the state on an annual basis;~~

~~(3) The student information is reported in a way that allows the department to aggregate data by grade level, gender, family income level, and race; and~~

~~(4) The department, or an organization chosen by the department, is informed of the eligible student's graduation from high school.~~

~~b.~~2. The department, or an organization chosen by the department, shall:

~~(1)~~a. Ensure compliance with all student privacy laws~~:~~.

~~(2)~~b. Collect all test results~~:~~.

~~(3)~~c. Provide the test results, associated learning gains, and graduation rates to the public on the department's website after the third year of test and graduation-related data collection. The findings must be aggregated by the student's grade level, gender, family income level, number of years of participation in the education savings account program, and race~~:~~. Data aggregation related to assessments may be limited to the state assessment, as determined necessary by the department.

~~(4)~~d. Provide rates for high school graduation~~, college attendance, and college graduation~~ for participating students to the public on the department's website after the third year of test and test-related data collection~~; and~~

~~(5) Administer an annual parental satisfaction survey requesting each parent of a student receiving an education savings account program grant indicate the number of years the child has participated in the education savings account program and express the parent's:~~

~~(a) Satisfaction with the education savings account program; and~~

~~(b) Opinions on other topics, items, or issues that may indicate the effectiveness of the education savings account program.~~

~~4.~~3. A participating nonpublic school or other education service provider is autonomous and not an agent of the state or federal government and, except as provided under this chapter and in related rules, the:

a. ~~The department~~Department may not regulate the educational program of a participating nonpublic school or education service provider that accepts funds from an education savings account~~, except as provided under this chapter and chapter 15.1-23~~;

b. ~~The creation~~Creation of the education savings account program does not expand the regulatory authority of the state, its officers, or a school district to impose an

additional regulation of nonpublic schools or education service providers beyond the regulations necessary to enforce the requirements of the education savings account program; and

c. Participating nonpublic schools and education service providers must have the freedom to provide for the educational needs of the school's students without governmental control.

~~Department of public instruction -~~ **Administrator - Duties.**

~~1.~~ The administrator shall:

~~a.~~1. Ensure eligible students and parents are informed annually of the schools that will be participating in the education savings account program.

~~b.~~2. Create a standard form a parent of an eligible student may submit to establish a student's eligibility for the education savings account program. The administrator shall ensure the application is readily available to interested families through various sources, including the department's website.

~~c.~~3. Accept applications on a year-round basis and shall approve applications in a reasonable time frame.

~~d.~~4. Execute a multimedia marketing program targeting eligible families, especially those below the state's median household income, informing the families about the education savings account program and how to apply.

~~e.~~5. Establish a web and phone-based support system providing parents with education savings account program application support and ongoing account maintenance support.

~~2. The department may bar a participating school or education service provider from the education savings account program if the department determines the participating school or education provider has:~~

~~a. Routinely failed to comply with the accountability standards established under this chapter; or~~

~~b. Failed to provide the eligible student with the educational services funded by the education savings account.~~

~~3. If the department bars a participating school or education provider from the education savings account program, the department shall notify eligible students and parents of~~

~~the decision as quickly as possible. A parent may appeal a decision of the department under chapter 28-32.~~

~~4. The department shall adopt rules and procedures as necessary for the administration of the education savings account program.~~

6. Provide to the parent of a participating student a written explanation of the allowable uses of education savings accounts, the responsibilities of the parent, and the duties of the administrator.

7. Ensure the department is informed of a participating student's graduation from high school or a participating student's termination of participation in the education savings account program.

8. Coordinate with the Bank of North Dakota to develop procedures to implement the program in accordance with this chapter and related rules.

9. Upon request, determine whether an expense is allowable.

10. Establish a procedure for a participating school to provide data to the department as required under this chapter.

11. Administer an annual parental satisfaction survey requesting each parent of a student receiving an education savings account program grant indicate the number of years the child has participated in the education savings account program and express the parent's:

a. Satisfaction with the education savings account program; and

b. Opinions on other topics, items, or issues that may indicate the effectiveness of the education savings account program.

School districts of residence - Duties.

The school district of residence:

1. Shall provide a participating school or education service provider that has admitted an eligible student under this chapter with a complete copy of the student's school records, while complying with the Family Educational Rights and Privacy Act of 1974 [20 U.S.C. Section 1232(g)].

2. May provide transportation for an eligible student to and from the participating school or education service provider under the same conditions as the school district of residence is required to provide transportation for other resident students to nonpublic

schools. The school district of residence qualifies for state transportation aid for each student transported.

SECTION 2. APPROPRIATION - BANK OF NORTH DAKOTA - EDUCATION SAVINGS ACCOUNT PROGRAM. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of ~~$40,000,000~~$21,700,000, or so much of the sum as may be necessary, to the Bank of North Dakota for the purpose of implementing the education savings account program and funding ~~the~~ education savings ~~account program~~accounts beginning in the school year 2026-27, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 3. EFFECTIVE DATE. Section 1 of this Act becomes effective on July 1, 2026.

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1540 - Bank of North Dakota - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Education savings account program		$40,000,000	($18,300,000)	$21,700,000
Total all funds	$0	$40,000,000	($18,300,000)	$21,700,000
Less estimated income	0	0	0	0
General fund	$0	$40,000,000	($18,300,000)	$21,700,000
FTE	0.00	0.00	0.00	0.00

Department 471 - Bank of North Dakota - Detail of Senate Changes

	Decreases Funding for Education Savings Account Program[1]	Total Senate Changes
Education savings account program	($18,300,000)	($18,300,000)
Total all funds	($18,300,000)	($18,300,000)
Less estimated income	0	0
General fund	($18,300,000)	($18,300,000)
FTE	0.00	0.00

[1] Based on the requirement that eligible families have a household income less than 400 percent of the federal poverty guidelines, funding for the education savings account program is decreased to provide a total of $21.7 million, including funding for implementation costs of the program.