



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

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

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

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

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

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



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

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

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

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

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

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

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

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