

FISCAL NOTE
Requested by Legislative Council
01/05/2019

Bill/Resolution No.: SB 2142

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

| | 2017-2019 Biennium | | 2019-2021 Biennium | | 2021-2023 Biennium | |
|-----------------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|
| | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
| Revenues | | | | | | |
| Expenditures | | | | | | |
| Appropriations | | | | | | |

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

| | 2017-2019 Biennium | 2019-2021 Biennium | 2021-2023 Biennium |
|-------------------------|--------------------|--------------------|--------------------|
| Counties | | | |
| Cities | | | |
| School Districts | | | |
| Townships | | | |

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Senate Bill 2142 establishes an education savings account program to be administered by the Office of State Treasurer.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Due to the uncertainty in expected participation rates and costs associated with the program, an exact fiscal impact of SB 2142 is unable to be determined.

SB 2142 creates a program which would set up educational savings accounts for children who have been attending public school and whose parents elect to have the child educated through an alternative education program. In funding these accounts, a portion of the state aid payments to school districts that would have been related to these students would be redirected to their individual education savings accounts by the State Treasurer.

The State Treasurer would be responsible for the administration of the program which would include creating and adopting rules, procedures, and forms, contracting with a third party to administer the accounts, commissioning a parent-controlled board, promoting awareness of the program, and auditing a sufficient number of program accounts. Although the total cost of administering the program is not able to be determined, the Office of State Treasurer estimates it would need to add at least 2 FTEs to facilitate the administration of the educational savings account program.

In order to cover the State Treasurer's cost of overseeing accounts and administering the program, SB 2142 provides for up to 3% of the program funds to be deducted from the payments to the accounts. Depending on the participation in the program, this 3% deduction may or may not be sufficient to cover all related costs, including the salaries and benefits of the needed FTEs. Whether or not these administration fees will be sufficient, there will be a need to provide a certain level of up-front funding to cover the costs of starting up this program.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*
- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

As explained above, an estimate for an amount of expenditures needed to implement SB 2142 is unable to be determined. However, our initial research into the program indicates the need for, at a minimum, 2 new FTEs to administer the program. The costs for these FTEs, along with the initial administration costs of setting up the program, may ultimately be covered by fees charged to the accounts. But until significant participation in the program is obtained, there will need to be some amount of up-front funding provided to implement.

Also included in the bill is the referral to the attorney general for investigation of any accounts showing evidence of fraud. In discussions with the Office of Attorney General, citing the same challenges in estimating an actual cost as above, they conservatively estimate it would incur investigation expenditures of \$5,000-\$50,000 per biennium. These costs would be in addition to the costs incurred by the Office of State Treasurer.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

Name: Ryan Skor

Agency: Office of State Treasurer

Telephone: (701)328-2643

Date Prepared: 01/08/2019

2019 SENATE EDUCATION COMMITTEE

SB 2142

2019 SENATE STANDING COMMITTEE MINUTES

Education Committee
Sheyenne River Room, State Capitol

SB 2142
1/15/2019
Job # 30813

- Subcommittee
 Conference Committee

Committee Clerk: Florence Mayer for Lynn Wolf

Explanation or reason for introduction of bill/resolution:

A BILL for an Act to create and enact chapter 15.1-39 of the North Dakota Century Code, relating to the establishment of an education savings account program.

Minutes:

Attachments # 1-6

Chairman Schaible: Called the hearing of SB 2142 to order.

Senator Oley Larsen, District 3: Explanation of the bill. Tax credit bill from last session, \$2,500 tax credit where funding would come from the Mill Levy that schools receive. If someone wanted to private or homeschool their student, they could use this tax credit for that.

Chairman Schaible: The property tax follows the student? That was confirmed.

Senator Oban: How many school districts do you represent?

Senator Larsen: I believe 3 or 4.

Senator Oban: Do you know what the fiscal impact, with the given enrollments, would be with diverting the Mill Levy to this?

Senator Larsen: I don't. I'm coming from the approach that we are putting in over \$10,000 per student. We talk about overcrowded classrooms, if we could alleviate some of those students who are going to other entities, they would still get the other funding from that. It's a school choice issue with me.

Chairman Schaible: So if a large property owner would contribute property tax to that, that would follow the student?

Senator Larsen: If the parent wants to homeschool or private school, they could apply for a \$2,500 tax credit and that would offset the cost. It wouldn't be the entire cost.

Mark Jorritsma, Executive Director of Family Policy Alliance of North Dakota: Testified in favor of SB 2142 with suggested amendments. Provided **Attachment #1**.

Pages 1-2: Written testimony.

Page 3: Proposed amendments.

Pages 4-5: Copy of the Bill including amendments. (Amendments in green text).

(16:28) Chairman Schaible: Presented neutral written testimony from Kelly Schmidt, State Treasurer (**Attachment #2**).

Tom Ternes, Education Market Manager, Bank of North Dakota: Neutral testimony presented. (No attachment.) College Save Program, have been changes to Federal law to allow for K-12. We want to make sure our state plan can be used for private education, if individuals choose to use their funds for that. May not fill all the gaps.

Chairman Schaible: Do you agree that the Bank of ND is better suited to handle this than the Secretary of State?

Mr. Ternes: It fits within our mission/under our umbrella, definitely details that need to be worked out. What would it need to look like is something we need to look at.

(20:03) Aimee Copas, Executive Director, ND Council of Educational Leaders: Testified against SB 2142. **Provided Attachment #3 and Attachment #4.** We are obligated to our public schools. We are just taking needed funding away from our schools, but their costs remain the same. If I got to your house for pizza, you aren't obligated to buy me a burger from somewhere else.

(27:14) Senator Oban: The numbers you estimated for the 2% switch, it would allow parents to keep the local funds they contribute, so wouldn't there be additional fund eliminated?

Mrs. Copas: I was trying to decipher what Senator Larsen was saying. He may have had the percentages switched? The way the bill reads, the parent would have the opportunity to retain 75% of the per pupil payment. Not the full 100%. It sounded like he was thinking it was the other way around. The bill reads the same as it did in 2017. The savings account would be able to retain \$7,234.50 per student. The other piece I'm not sure about.

Senator Marcellais: You've got "Do Not Pass" on House Bill 1382 at the end?

Mrs. Copas: My apologies, that is a typo.

(29:33) Alexis Baxley, Executive Director of the North Dakota School Boards Association (NDSBA): Testified against SB 2142. **Provided Attachment #5.**

(32:15) Nick Archuleta, President of North Dakota United: Testified against SB 2142. Provided **Attachment #6.**

(36:00) Howard Berkeley, North Dakota Small Organized Schools: We oppose the bill, it is very spending heavy. This will create problems for small schools.

Senate Education Committee

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Chairman Schaible: Asked for other testimony.

Closed the hearing for SB 2142.

Adjourned committee until 2pm.

2019 SENATE STANDING COMMITTEE MINUTES

Education Committee
Sheyenne River Room, State Capitol

SB 2142
1/28/2019
31557

- Subcommittee
 Conference Committee

Committee Clerk Signature Lynn Wolf

Explanation or reason for introduction of bill/resolution:

A bill relating to relating to the establishment of an education savings account program.

Minutes:

| |
|--|
| |
|--|

Do Not Pass motion by Oban, second by Davison

7 Yeas; 0 Nays; 0 Absent.

Motion carries.

REPORT OF STANDING COMMITTEE

SB 2142: Education Committee (Sen. Schaible, Chairman) recommends **DO NOT PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2142 was placed on the Eleventh order on the calendar.

2019 TESTIMONY

SB 2142

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Testimony in favor of Senate Bill 2142

**Mark Jorritsma, Executive Director
Family Policy Alliance of North Dakota
January 15, 2019**

Good morning Chairman Schaible and honorable members of the Senate Education Committee. My name is Mark Jorritsma, Executive Director of Family Policy Alliance of North Dakota. I am testifying in favor of Senate Bill 2142, with our suggested amendments, and respectfully request that you recommend a "DO PASS" on this bill.

You will find three things in the packets I have distributed. First, you will find this testimony. Second, there is a single page with a bulleted list of our proposed amendments. We have discussed these amendments with Senator Larsen, the bill sponsor, and he fully supports these changes. The final document is a copy of the bill, as filed by Senator Larsen, but now including our proposed amendments. Our amendments to his bill are in green text.

Family Policy Alliance of North Dakota believes that parents have a God-given responsibility and right to direct the upbringing and education of their children. Toward this end, education savings accounts are truly the "gold standard" when it comes to school choice—but they're even more than just another school choice mechanism. Education savings accounts allow parents to fully tailor their child's entire educational experience. Family Policy Alliance of North Dakota believes this bill will help launch children to success, something we all want.

Families know best what type of educational experience their children need to succeed, and education savings accounts give families the keys to unlock that experience for their children. We want to see every child succeed, and helping them access the education they need to become their best lays a critical foundation. When a child is impeded because he or she isn't able to get the education they need, we have work to do on our system of education.

Almost 30 empirical studies have showed again and again that increased school choice improves academic outcomes for participants and public schools, saves taxpayers money, moves students into more integrated classrooms, and strengthens their shared civic values (*A Win Win Solution: The Empirical Evidence on School Choice* – Greg Forster, May 2016).

Five states (AZ, FL, TN, NV and MS) have established some type of education savings account program for their children. Average funding for student participant ranges from \$5,000 to over \$12,000 per student. At least eight other states (AR, CT, GA, MO, NH, OK, OR, VA) are also considering education savings account legislation.

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North Dakota's education savings account program proposed in SB 2142 would allow near-universal eligibility for North Dakota children, so that all families can give their children the education they need. This is particularly important in cases where a child with learning challenges could be best taught in a private school or at home with his or her parents. North Dakota's program would be administered by the State Treasurer's office, which is best practice.

Let me close with a personal note. Our son was diagnosed in second grade with a condition that makes it difficult for him to focus on his studies. We tried all types of school environments for him, but finally placed him in a private school where he seemed to thrive. Unfortunately, the cost of this school was prohibitive. We then decided to homeschool him. It worked better than our wildest dreams. I am now very happy to report that he is enrolled in his last semester at the University of Mary, is on the Dean's list, and will complete his Bachelor's Degree in Computer Information Systems this spring. In retrospect, the choices we made were very difficult, but thankfully appear to have been the right ones.

However, during this entire time in private school and homeschooling, we were never able to use an education savings account. As a result, my wife gave up her successful career as a CPA, we had to sell a vehicle to make ends meet, take out a second mortgage on our home, and things like vacations and other common "niceties" were completely out of the question for many years. I do not believe I am overstating the case when I say it was a period of significant financial hardship for our family. That said, I'd do it again in a heartbeat.

The thing that bothers me are the families that may not have sufficient income, a second car to sell, or be able to take out a second mortgage on their home. These are the people I am speaking for today. So I ask you, please give them the resources to let their children thrive. Please vote Senate Bill 2142 out of committee with a "DO PASS" recommendation.

Thank you for the opportunity to testify, and I stand for any questions you may have.

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PROPOSED EDUCATION SAVINGS ACCOUNTS AMENDMENTS



PROPOSED AMENDMENTS TO SB 2142

- **Revenue to School Districts:** The percentage of per-student payment rate going to the local school district was increased to account for fixed costs and variable costs that cannot adjust as quickly in the short-term.
- **Eligibility:** It is important that the maximum number of North Dakota children are eligible under the new Education Savings Account Program. Some families, such as homeschooling families, private school families, and families who have children with special needs making it impossible for them to be enrolled in public school, would be excluded under the current language. Eliminating the language also does not unduly encourage public school families to migrate to other educational alternatives.
- **Agreement required:** This language is already in the Century Code (15.1-23-04), so is redundant.
- **Expanding Graduation Requirements:** Explicitly allowing home education transcripts still provides evidence of subject completion, reduces reporting burdens, and better defines “reasonable proof” contained in 15.1-23-17 of the Century Code.

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Proposed Amendments to North Dakota Education Savings Account Bill

15.1-39-02. Program and account establishment and management.

1. The state treasurer shall establish and administer the program to provide funds for qualified education expenses of program participants.

2. The state treasurer shall create and fund an account for each program participant, who may use the funds in the account only as permitted under this chapter. For each year of program participation, the state treasurer shall fund the participant's account with an amount that is:

- a. ~~Seventy-five~~ **Sixty-five** percent of the per-student payment rate reduced by the state average percentage of local revenue required to be subtracted to determine state aid payments under section 15.1 27 04.1 for the prior fiscal year; or
- b. ~~Seventy-five~~ **Sixty-five** percent of the per-student payment rate reduced by the state average percentage of local revenue required to be subtracted to determine state aid payments under section 15.1 27 04.1 for the prior fiscal year weighted to the state's funding formula, if the participant has an active individualized education plan.

15.1-39-03. Program eligibility.

A child is eligible for the program if the child ~~participated in the program in a prior academic year or if~~ **is a resident of the state** and the child is eligible to attend public school in this state ~~and was enrolled in a public school during the preceding semester, is enrolling in kindergarten or first grade for the first time, or is enrolling in school in this state for the first time.~~

15.1 - 39 - 04. Agreement required .

Before a program participant may receive funding under this chapter, a parent must agree in writing to:

- ~~1. Ensure the program participant is instructed in the subjects required by law to be taught to public school students.~~
- ~~2. Ensure the program participant has at least four hours of instruction each day for a minimum of one hundred seventy-five days each year.~~
1. 3. Spend program funds only on qualified education expenses as provided under section 15.1-39 -05 .
2. 4. Ensure the program participant is administered nationally norm-referenced appropriate assessment instruments annually.
3. 5. Notify the state treasurer immediately if the program participant enrolls in a public school.

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4. ~~6.~~ Provide course documentation to the state treasurer to prove the program participant's fulfillment of state graduation requirements **this may include a home education transcript.**

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STATE OF NORTH DAKOTA
OFFICE OF STATE TREASURER
KELLY L. SCHMIDT, STATE TREASURER

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Kelly Schmidt, State Treasurer

Neutral Testimony

to SB 2142

Senate Education Committee

Sen. Donald Schaible, Chair

Sen. Robert Fors, Vice-Chair

January 15, 2019

Mr. Chairman, members of the committee, I am Kelly Schmidt, State Treasurer.

Should SB 2142 become law, the state agency best suited to administer this program would be the Bank of North Dakota (BND), not the Office of State Treasurer.

BND has been facilitating 529 College Savings for over 20 years. These plans have offered families tax-free earnings growth and tax-free withdrawals for college expenses. Beginning in 2018, families were extended the opportunity to withdraw up to \$10,000 per student per year in connection with enrollment or attendance for K-12 education.

BND is best suited with the technological infrastructure, trained staff and the opportunity to coordinate benefits for our North Dakota families by facilitating these accounts. Should needed, the State Treasurer could remain on the statutory board to assist in this function.

Thank you, Mr. Chairman. I stand for any questions.

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**SB2142 – Education Savings Accounts
Testimony in Opposition
North Dakota Council of Educational Leaders – Dr. Aimee Copas
January 15, 2019**

Good day Chair Schieble, =and members of the Senate Education Committee. For the record, my name is Aimee Copas and I serve as the Executive Director for the ND Council of Educational Leaders.

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

On its face there are issues with this bill that cannot be reconciled. I could spend the better part of an hour digging into the many issues that I can see in this bill, but I will focus on the fiscal side. The reality is that this bill will cost our state an enormous amount of money...perhaps not in the first year, but certainly in the not so distant future. It creates disparities in funding and disparities in equity based on the rural vs. urban application of much of the opportunity. Please allow me to explain the fiscal piece further.

This funding piece is a very real as a student would only need to show enrollment in a private school in the previous semester. There is no indication that they would've had to have ben enrolled for the full semester. Within the course of one school year, each and every child mentioned could be privy to that funding amount.

Please refer to the attached fiscal impact sheet.

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

We ask for a DO NOT PASS of HB 1382.

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**HB2142 – Education Savings Accounts
 Testimony in Opposition
 North Dakota Council of Educational Leaders – Dr. Aimee Copas
 January 15, 2019**

**Fiscal implications of Education Savings Account
 Scenarios are approximate**

Students in North Dakota – approximately 113,000

- In 2017, Representative Becker indicated in his testimony an average of a 2% switch rate. (Students that will leave public school and go to private school or home school).
- # of students @ 2% switch rate = 2260

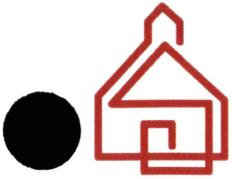
- 2260 Switch Students @ \$7234.50 each = \$16,349,970
 6722 Private School @ \$7234.50 each = \$48,630,309
 2662 Home School (tracked) @ \$7234.50 each = \$19,258,239

- The cost to the state could be as much as \$84,238,518 per year. When you subtract the per pupil payment *savings of the public school students who may switch* (\$5,449,990) **
NOTE Private and Home school do NOT cost the state any dollars at this time the net cost would be as much as \$78,788,528
 - \$84,238,518 (voucher cost) – \$5,449,990 (per pupil savings) = \$78,788,528 (net state cost)

Impact to some public-school districts where you have your constitutional obligation to fund. None of these districts would be able to reduce staff or overhead cost with the loss of 2% of the students due to the rate of switch. Solely on the basis of \$9646 (not including weighted student units).

| School | 2% Switch Rate | Loss to school budget |
|------------|----------------------------|-----------------------|
| West Fargo | 10,252 Students @ 2% = 205 | - \$1,977,430 |
| Bismarck | 13,201 Students @ 2% = 265 | - \$2,556,190 |
| Jamestown | 2,229 Students @ 2% = 45 | - \$434,070 |
| Dickinson | 3,472 Students @ 2% = 69 | - \$665,574 |
| Hettinger | 267 Students @ 2% = 5 | - \$48,230 |

Study by Fordham Institute showing school vouchers having a negative impact on student success. https://edex.s3-us-west-2.amazonaws.com/publication/pdfs/FORDHAM%20Ed%20Choice%20Evaluation%20Report_online%20edition.pdf



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SB 2142
Testimony of Alexis Baxley
Senate Education Committee
January 15, 2019

Chairman Schaible and members of the Senate Education Committee, my name is Alexis Baxley. I am the executive director of the North Dakota School Boards Association. NDSBA represents all 178 North Dakota public school districts and their boards. NDSBA stands firmly in opposition to SB 2142.

Our state constitution very specifically states that the Legislative Assembly shall provide for a uniform system of free public schools throughout the state, and does not provide for the financial support of private or home education. In fact, it explicitly states that no money raised for the support of public schools of the state shall be appropriated or used for the support of any sectarian school. While I suppose we could argue that SB 2142 has found a loophole in providing the money directly to the parents or students, even that act's constitutionality is questionable. We believe North Dakota's constitution did not provide for funding non-public education for good reason.

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

One way I am certain we can't achieve that goal is to divert those dollars outside of the formula. While a parent certainly has the right to choose where and how they want their children educated, that choice does not and should not entitle them to the dollars provided for public education by our state constitution.

We often hear the argument that the taxpayer shouldn't have to fund the education of others. You'll have to forgive me as I'm not that good at analogies, but I don't receive a gas tax rebate for the roads I don't drive on. If we begin parceling off portions of our public dollars to those who opt out of the system, we will fall short of our constitutional obligation to effectively and efficiently provide for the delivery of public education.

NDSBA urges a Do Not Pass recommendation on SB 2142, and I would be happy to stand for any questions. Thank you.

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Great Public Schools

Great Public Service

Testimony Before the Senate Education Committee

SB 2142

January 15, 2019

Good Morning, Chairman Schaible and members of the Committee. I am Nick Archuleta and I am the president of North Dakota United. Today I stand before you to urge a DO NOT PASS recommendation for SB 2142.

Mr. Chairman, it seems that not a legislative session has gone by in recent years without at least one attempt to expropriate public monies raised for public education and divert them to non-public education entities. SB 2142 is the latest such piece of legislation to fit that bill.

The North Dakota Constitution is quite clear in its intent:

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."*

There is no provision in our Constitution, Chairman Schaible, for public monies to be used for private education. Yet, SB 2142, under 15.1-39-02, directs the State Treasurer to provide public funds, create accounts, and manage programs for individuals who may use those funds for a non-public educational experience.

In fact, part 3 of Chapter 15.1-39-02 (line 21-23, page 2) declares that:

*"A parent may choose any education method, **including nonpublic school**, private tutor, online learning, or other qualified provider, which best serves the needs of the program participant."*

Our 11,500 members are adamant in their stand that no public money should ever be used to subsidize private education. We are not against private education. If someone wants to send their child to a private school or university, fine. Just don't ask North Dakota taxpayers to subsidize that decision.

And what about the costs? As you can see there is no fiscal note attached to this legislation. Here is what the ND Treasures office has said about the fiscal note for SB 2142:

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Att. #6

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*"Due to the uncertainty in expected participation rates and costs associated with the program, an exact fiscal impact of SB 2142 is unable to be determined. SB 2142 creates a program which would set up educational savings accounts for children who have been attending public school and whose parents elect to have the child educated through an alternative education program. In funding these accounts, **a portion of the state aid payments to school districts that would have been related to these students would be redirected to their individual education savings accounts by the State Treasurer.***

*The State Treasurer would be responsible for the administration of the program which would include creating and adopting rules, procedures, and forms, contracting with a third party to administer the accounts, commissioning a parent-controlled board, promoting awareness of the program, and auditing a sufficient number of program accounts. Although the total cost of administering the program is not able to be determined, the Office of State Treasurer estimates it would **need to add at least 2 FTEs** to facilitate the administration of the educational savings account program.*

*In order to cover the State Treasurer's cost of overseeing accounts and administering the program, SB 2142 provides for up to 3% of the program funds to be deducted from the payments to the accounts. Depending on the participation in the program, this 3% deduction **may or may not be sufficient** to cover all related costs, including the salaries and benefits of the needed FTEs. Whether or not these administration fees will be sufficient, there will be a need to provide a certain level of up-front funding to cover the costs of starting up this program."*

All that is clear, then, about the impact of SB 2142 is that we have no idea what it will cost, that it will deprive local school districts of badly needed funding, that it will divert public monies to private schools or other institutions about which we know very little, and that its intentions fly in the face of what our founders intended when they established public schools as a basic tenet of our Constitution.

For these reasons, Mr. Chairman and members of the Committee, I urge a DO NOT PASS recommendation for SB 2142. I am now happy to stand for any questions.