

2009 HOUSE FINANCE AND TAXATION

HB 1335

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1335

House Finance and Taxation Committee

☐ Check here for Conference Committee

Hearing Date: January 26, 2009

Recorder Job Number: 7705

Committee Clerk Signature

Minutes:

Chairman Belter: We will open the hearing on HB 1335.

Representative Griffin: HB 1335 is a bill to allow for a tax cut for \$2,000 to defray costs of curriculum textbooks, supplies and equipment used in home schooling. This bill is designed to give a small tax break for the direct costs incurred by home schoolers for educating their children. This bill would help some families that home school more easily cover the cost of supplies they need to adequately educate their children. **(Testimony 1/letter from Mark Korsmo, Northwood).** (03:56)

Vice Chairman Drovdal: Home schoolers in most cases do a great job. It is a great opportunity; it is their choice to choose that. We, as a state, are responsible to have a high-quality public school. We pay the costs. When a student is taken out of a public school (and they have every right to do that), it costs the local school the per pupil payment from the state; therefore it raises the taxes in that particular district to cover the costs they lost from the per pupil payment unfortunately. This bill would actually give them credit for taking that student out; that credit, whether we give them direct money as some bills decide, or a tax credit, such as this bill, it is taking money from the public to support a private or home schooler in this case.

Are you arguing that we, as a state, should start supporting home schooling and deprive schools of public money because that is truly what this bill does. Is that your argument?

Representative Griffin: I don't know if I would argue that the bill would go that far. It would, in some cases, when families do home school, it does save the state money because they are not making that direct distribution payment to the school district. Obviously the economy of scale might hurt a local school district in some respect because they are losing that aid payment. Other times, if there were enough students who did it, it would actually probably save the school district money with smaller infrastructure. No that is not the intent at all. I think this bill was mainly introduced upon the request of a constituent to acknowledge that they are paying property tax and they do pay income tax which goes toward schools. This would just be a small way to help compensate part of their education costs.

Representative Weiler: Looking at the fiscal note, I believe it was \$164,000. Is that correct? That seems low.

Representative Griffin: I looked at the fiscal note. I don't know for the average taxpayer, what the \$2,000 deduction would be on their income tax, but it wouldn't be that much.

Chairman Belter: Further testimony in support of HB 1335?

Jim Bartlett, Director of North Dakota Home School Association: (Testimony 2) (07:22-10:39) Basically home school parents do pay twice for the education of their own children. Our office receives calls from people who want to start home schooling every week, typically every day. Two weeks ago we had a call from a lady who was ready to home school and her son, who was a special needs student, currently receives from the taxpayers \$40,000 to attend an agricultural class and a gym class at a public school. When that child begins home schooling, it saves the state and the taxpayers \$40,000.

Representative Weiler: I apologize if the answer to my question is already in your testimony.

Do you have numbers as to how much it costs to home school each child? I think in the public school system it is about \$8,000 per child. Do you have those numbers?

James Bartlett: Last time I looked, which was two years ago, the national average for home schooling was \$500 per child, like \$535. It might be up a little bit.

Representative Headland: I guess I am curious. Is the cost of curriculum that home schoolers incur always their direct liability? Is it their duty or is there anywhere for them to go where they can utilize current curriculums offered in public schools? Is there a way for them to share? I am just trying to get to the heart of what this bill is asking.

James Bartlett: Many ways and all ways. We have a convention coming up in March in Jamestown. We have a big vendor hall for curriculum providers to come to show their things;

we have a used curriculum sale where people bring in things that are used; there are on-line home school sites like e-bay for home schoolers to trade and get a good deal on materials.

Some of the public schools have been allowing home schoolers to take materials and use them. Most home schoolers prefer a specific curriculum so they find their own way. You can go to a library or use different skills and sequences on line and buy the books separately. You can buy an entire curriculum on line on a CD for \$200 or get it free from your neighbor. You can get all the books free on line because they are old books. There are so many different ways to do it to lower costs. Actually when we first started home schooling, we spent a little more because we didn't have anything. Now that we have been doing it a long time, we have got everything, we don't spend as much per year per child.

Representative Drovda: I have supported the ability to home school. On my three sessions on the education committee, this came up quite often. I take exception to the argument that you are saving us all this money. I say this for two reasons and you can tell there is a

(inaudible). One is that we budget a set amount of dollars for education and then we divide by the number of students to get the per pupil cost. If we have more students, it is going to be a less per pupil payment. Whether these students are in the schools or not isn't going to change how much we are budgeting. The second part of that is we have declining enrollments in just about every school in ND, 98% probably. In every one of those, we have to provide the classroom for those students whether they are there or not. But in declining enrollment circumstances, it wouldn't cost us any more to have those students in our schools and those declining enrollment schools would actually get more money from the state in a per pupil payment. In fact, a radical could argue that home schoolers are costing us money because if those students aren't there, they might have to cut curriculum because they aren't getting enough money. So that is my debate about whether you save us all this money.

James Bartlett: If all of the students in ND were all of a sudden home schooling, we would have a huge budget for the DPI with no students. How does the current code accommodate that? What I am pointing out is the fact that our system is not like a business able to accommodate a changing number of enrollments. It needs to; it needs competition to be at its best as we know competition helps business. I was also going to point out that we need to be more creative with those public schools. Bureaucracy tends to promote itself and continue itself so we can continue to put the money in; but really when the home schoolers go home, in a very clear business sense, we are saving the state \$8,000 minus \$500 every student. If the state cannot manage that money very well or be flexible, then maybe we need to take a look at how we can make the state more flexible by building in satellite schools or various versions of home schooling to the state.

Representative Schmidt: Does your association have any facts or figures on what other states are doing? I see you stated the rate is growing from 5-12% a year nationally. Have you got any facts and figures from other states?

James Bartlett: Home School Legal Defense has a website that is dedicated to tax credits and I will just mention a few of them. In Minnesota, it has been out there for quite awhile, they have an education tax credit limited to 75% of the taxpayer's qualifying expenses and then a list of the qualifying expenses. Other states, Iowa, Arizona, Minnesota, Illinois, Florida, Pennsylvania—they are really all different. Some are different in numbers; some are connected to income taxes; scholarship tuition organizations or businesses give a deduction if they put money into it and then the families get it from that. It seems like a two-step procedure to me, but there is more data on that. If you want it, I can e-mail you.

Representative Winrich: The bill that is before us incorporates a definition apparently from section 15-21-23.1 of home education. Does that only apply to students who would otherwise be obligated to go to school? What is that definition?

James Bartlett: Home education would be defined as someone that filed a statement of intent as far as accounting purposes go. In ND, the law requires a statement of intent for each student in each school year. A home educator is a person who is a parent or guardian of the person and has taken responsibility for the education of that person, has various qualifications, and the whole law goes into assessments.

Representative Winrich: What I am trying to get at is that we are getting a lot of information as legislators from people interested in early childhood education. In fact, I believe there are going to be some bills relating to that and state support of early childhood education and so on.

For a parent who has a three year old and tries to provide some sort of structured program at

home, would this apply? Would this allow a tax credit for that? Is it only children who are obligated otherwise to go to school?

James Bartlett: It would probably have to be based on accounting process which would represent the statement of intent. The statement of intent only needs to be filed for the school age, ages 7 to 16, so my first thought is it would only apply to the school children and not to the ones that are younger than that. By the way, early childhood education looks like babysitting to you and also to all home schoolers I have talked to. If you want to have a public school system paying for that; that is your choice, but we would be against it.

Representative Pinkerton: In your written testimony on page 2, you say that home schools are growing nationally at the rate of 5-12% per year. Do you know how many home schoolers there are in ND compared to two years ago?

James Bartlett: We don't have exact numbers, but we get three calls or five every week of new home schoolers that are contacting our office. We don't have exact numbers on that. The DPI doesn't even track the number of home schoolers we have in the state precisely. They track the number that are using the services like monitoring a class or two, but the numbers can be counted because each home school family files a statement of intent per student. I think we are probably in the range of the national average growth. We have been seeing growth at our conventions, more people every year come to it. Our mailing list continues to grow, even when we clean it up every year.

Representative Weiler: I apologize to the committee for beleaguering this. What are some of the reasons why people choose to home school versus sending their kids to a private education. Maybe the money factor could have something to do with that? Why do they choose home schools versus private schools and why do they choose home schools versus

the public schools? What is not being taught in public schools? What are some of the main reasons why people choose that versus the other two?

James Bartlett: Home schooling is chosen for academic reasons, for moral or spiritual reasons, for reasons to be with family more, to be able to teach their children the way they should go over the years, for the effectiveness, the efficiency, the time, for the choice of curriculum, for the flexibility of the curriculum, for the sake of child (inaudible) or the type of job they have. There are many different reasons as to why people choose to home school. Also on the private school side, why not private schools? It is not the money in most cases because most of the home schoolers I know want their kids with them at home and to be able to teach them and be an example to their children. They have been finding that the tools out on the web are very helpful and all the resources that are available for the various curriculums.

All the studies show that the kids are doing great no matter what the level of qualifications of the parent; they are really not affecting how they teach their children.

Representative Weiler: You have the same curriculum as the public school system would have to follow?

James Bartlett: No, we have infinite flexibility.

Representative Weiler: Finally , when home schooling began becoming more and more popular, I remember some of the concerns were about the social aspects and about kids not being around other kids socially; what have you found over the years regarding that?

James Bartlett: The whole question of socialization is getting turned around. The home schoolers are very well socialized and positively socialized at multiple levels to adults. A home schooler can look you in the eye and often is better socialized than kids in public school where they have peer socialization and peer pressure. The whole socialization question really traces

back to (inaudible) and Karl Marx and some of the writings they had when they designed the public school system.

Julie Liffbrig, Home Schooler: I have nine children, three in college right now so I have six at home. I was not intending to be here before you on this issue, but I thought my experience might add some help (25:14). To me, if you are going to regulate, anything you regulate, and we would gladly have you not regulate. (She spoke about local schools, wanting less regulation, socialization and resources and how her family spends on an average \$12,000 a year. She also spoke about teacher resource centers, where you can check out a microscope, the solar system, etc. by paying a fee of \$15 per year as an individual or \$25 as a home school support group. She also said her son is doing well at Notre Dame and is well socialized.)

Representative Schmidt: You home school nine? We had four rowdy boys and I don't think my wife could have done it. You people are saints.

Julie Liffbrig: Keep that in mind when you are voting. We are not choosing the easy way, but we are choosing what we believe is the best way. Their big thing is choice and we value that so much.

Chairman Belter: Any further testimony in support of 1335? Any opposition to HB 1335?

Josh Askvig, ND Education Association: (Testimony 3). (33:35-36:20)

Representative Grande: As you are listing these requirements that are necessary by DPI, it lends to the comments from Julie Liffbrig; if we got rid of the regulation, it wouldn't be an issue. Correct?

Josh Askvig: I guess our stance would be that the state is ultimately responsible for that student, whether they are home schooled or not. We have a firm belief that basic education should have basic standards.

Representative Grande: I beg to differ. I, as a parent, am the one ultimately responsible for everything that goes on with my child.

Warren Larson, ND Council of Educational Leaders (NDCEL): The current law is very open ended. We feel that it is sufficient for the needs of home school education today. As Representative Drovdal very accurately voiced the issue, there is no savings to the school district. I have been a superintendent for many years and a life-long educator. When one student steps out of the classroom, there is no savings because the other 29 are still there and we still have to educate them. There are some good home school programs undoubtedly, but there are many situations where students are sometimes home schooled for the wrong reasons. It is their choice to home school; we respect that choice; we honor that choice; but public dollars should not follow that choice. We urge a "do not pass" on HB 1335.

Chairman Belter: Are there any questions? Further testimony in opposition to 1335? Any neutral testimony? Do committee members have any questions of the tax department? If not, we will close the hearing on HB 1335.

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB1335

House Finance and Taxation Committee

☐ Check here for Conference Committee

Hearing Date: January 28, 2009

Recorder Job Number: 8069

Committee Clerk Signature

Minutes:

Chairman Belter: I have a motion for a "do pass" on HB 1335 from Representative Weiler and a second from Representative Grande. Is there any discussion?

Representative Winrich: I raised this question in the hearing and Mr. Bartlett from the Home School organization kind of brushed it off, but I did check the definition of home schooling in the statute and it is very general. It simply says a home schooled child is one who is taught at home by one of the parents. It has nothing to do with whether the child would otherwise be obligated to go to school or not. I am wondering if this credit would apply to someone claiming to do early childhood education at home.

Representative Grande: I think he did address it. I believe it says "educating a school age child". In code, school age is age 7 and I believe any child can leave the school system by age 16 if they wish. I could be wrong, but in any of the home schooling issues I have dealt with, that was what we went by. It must be written somewhere: I just don't know where.

Representative Winrich: The reference in the bill is to 15.1- 23-01 and says "for purposes of this chapter, home education means a program of education supervised by a child's parent in the child's home in accordance with the requirements chapter". It talks about supervising teaching, required subjects, academic records, and so on.

Representative Grande: In the grand scheme of things, a child is not being educated until the age of seven. That is the only time I have to take my child to school. No child has to go to kindergarten.

Chairman Belter: Shall we hold until we get clarification on this?

Representative Winrich: I think that would be wise.

Representative Froseth: One other thing is that the state requires testing. I don't know if that falls under the same definition or not.

Representative Weiler: I withdraw my motion.

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1335

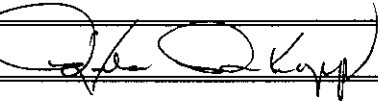
House Finance and Taxation Committee

☐ Check here for Conference Committee

Hearing Date: February 3, 2009

Recorder Job Number: 8499

Committee Clerk Signature



Minutes:

Chairman Belter: HB1335 is Representative Griffin's bill. I have a **"do pass"** from **Representative Headland and a second from Representative Weiler.** Is there any discussion? Will the clerk read the roll.

A roll call vote on the "do pass" on HB 1335 resulted in 6 yeas, 5 nays and 2 absent/not voting. Representative Grande will carry the bill.

Representative Froseth: Mr. Chairman, clarification on HB 1241 where the "do not pass" was turned around. That had a fiscal note of \$375,000. Is that automatically rereferred to Appropriations? The same as on the long-term care bill. I don't think there was a motion to rerefer that to Appropriations either.

Chairman Belter: I need to check to see if we need to refer that to Appropriations.

FISCAL NOTE
Requested by Legislative Council
01/13/2009

Bill/Resolution No.: HB 1335

1A. 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.*

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			(\$164,000)			
Expenditures						
Appropriations						

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

2007-2009 Biennium			2009-2011 Biennium			2011-2013 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

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

HB 1335 creates an individual income tax deduction for expenses associated with home-schooling children. The deduction made available on both of the state's individual income tax forms, Forms ND-1 and ND-2.

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.*

If enacted, HB 1335 is expected to reduce state general fund revenues by an estimated \$164,000 during the 2009-11 biennium.

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.*

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 is also included in the executive budget or relates to a continuing appropriation.*

Name:	Kathryn L. Strombeck	Agency:	Office of Tax Commissioner
Phone Number:	328-3402	Date Prepared:	01/22/2009

Date: January 28, 2009

Roll Call Vote #: 1

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1335

House FINANCE AND TAXATION Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken ☒ Do Pass ☐ Do Not Pass ☐ Amended

Motion Made By Weiler Seconded By Grande

Representatives	Yes	No	Representatives	Yes	No
Chairman Wesley R. Belter			Representative Froelich		
Vice Chairman David Drovda			Representative Kelsh		
Representative Brandenburg			Representative Pinkerton		
Representative Froseth			Representative Schmidt		
Representative Grande			Representative Winrich		
Representative Headland					
Representative Weiler					
Representative Wrangham					

Total (Yes) _____ No _____

Absent _____

Floor Assignment Held

If the vote is on an amendment, briefly indicate intent:

Date: February 3, 2009

Roll Call Vote #: 1

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1335

House FINANCE AND TAXATION Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken ☒ Do Pass ☐ Do Not Pass ☐ Amended

Motion Made By Headland Seconded By Weiler

Representatives	Yes	No	Representatives	Yes	No
Chairman Wesley R. Belter	/		Representative Froelich	/	
Vice Chairman David Drovdal		/	Representative Kelsh		/
Representative Brandenburg			Representative Pinkerton		
Representative Froseth	/		Representative Schmidt		/
Representative Grande	/		Representative Winrich		/
Representative Headland	/				
Representative Weiler	/				
Representative Wrangham		/			

Total (Yes) 6 No 5

Absent 2

Floor Assignment Representative Grande

If the vote is on an amendment, briefly indicate intent:

Refer to Appropriation

REPORT OF STANDING COMMITTEE

HB 1335: Finance and Taxation Committee (Rep. Belter, Chairman) recommends DO PASS and BE REREFERRED to the Appropriations Committee (6 YEAS, 5 NAYS, 2 ABSENT AND NOT VOTING). HB 1335 was rereferred to the Appropriations Committee.

2009 HOUSE APPROPRIATIONS

HB 1335

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1335

House Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: February 12, 2009

Recorder Job Number: 9316

Committee Clerk Signature

Heidi N. Lind

Minutes:

Chm. Svedjan turned to HB 1335 which comes to House Appropriations from the Finance and Tax Committee. It deals with income tax deductions for taxpayers who home school their children. The fiscal note is dated January 13, 2009.

Rep. Wes Belter, District 22 approached the podium to explain HB 1335. This bill would give parents of home school children a \$2,000 reduction on their gross income. This is not a credit. There are provisions in the bill that that would be reduced if a child is home schooled for three quarters of the year, for example, then they would be allowed three quarter of the \$2,000. If they are home schooled for less than half a year, they are not eligible for any credit. The fiscal note is \$164,000.

Rep. Dosch: What was the discussion to singling out home schools and not including other non public schools?

Rep. Belter: This bill only dealt with home school issue. There were other bills that dealt with private schools and they were given "do not passes" out of Committee.

Rep. Dosch: I would like to offer an amendment to include the same deduction for parents who send their kids to non-public schools as well.

Rep. Dosch moved the amendment and **Rep. Thoreson** seconded the motion.

Rep. Kaldor asked Rep. Dosch what the fiscal effect would be.

Rep. Dosch: I'm sure it would be minimal.

Chm. Svedjan: I have no idea what the fiscal impact would be but I would guess it would be quite substantial.

Rep. Dosch: One of the other bills did include a tax credit for people who send their kids to any non-public school which I assume would have included home school. That fiscal note was \$700,000. That was a tax credit. This is just a \$2,000 reduction on the income so I would imagine that would be substantially less.

Chm. Svedjan: Using that analogy you are probably right.

Rep. Dosch: I'm guessing another couple hundred thousand dollars since it's not a credit. And that was for up to \$1,000 per married family.

Rep. Berg: Maybe we could take a vote on this amendment, but if it passes I would like to get a fiscal note before we take final action.

Rep. Ekstrom: Folks decide to home school or send them to Catholic School. I don't have and have never had any children but I pay taxes because I believe in public education. These folks make a conscious decision to send their children elsewhere and I know they pay extra. I know there are costs involved with home schooling. But it's a choice.

Rep. Dosch: It is a choice but right now people in North Dakota do not have a choice if you are middle or low income and you can't afford sending your kids to a non-public school or you don't have the ability to home school. Public school is the only choice. This would give those with lower to middle income people to have a choice. When you look at our public school systems a little competition is good.

Rep. Wald: There are about 30,000 private school students in North Dakota. If you take 30,000 times the foundation aid payment, the people who send their children by choice to a private school in North Dakota are saving the taxpayers millions of dollars. I asked the Superintendent of Public Instruction what would happen if the private school system closed their doors and he said that would be chaos. This is pittance in comparison so I hope we give it a do pass.

Rep. Hawken: It doesn't save the school district millions of dollars because you don't get the foundation aid for the students that you don't have. It would cause space issues. Our mission for the state of North Dakota is to provide a quality public school system.

Rep. Kaldor: The relation to what this effect would have on low or middle income people, it's going to be less than a cup of coffee per month probably. This is not a very high impact. And I'm not going to suggest that we should increase it somehow. But when you do an adjustment to gross income and then you factor in federal income tax, by the time you get to the state income tax you are talking only a small number of dollars in savings.

Rep. Nelson: I have a hard time supporting the amendment since it is a policy change. We're making a significant policy change from the original bill by adding non-public students to the bill. This was a home school bill and leave it at that and the debate of whether it is right or wrong can be taken then.

Chm. Svedjan: Point well taken.

Chm. Svedjan took a voice vote on the motion to adopt the verbal amendment to include non-public schools to this bill. **Chm. Svedjan** declared the motion failed by voice vote. **Rep. Dosch** asked for a roll call vote. The motion failed by a roll call vote of 9 yeas, 12 nays and 4 absent and not voting.

Rep. Wald moved a Do Pass to HB 1335. Rep. Dosch seconded the motion. The motion failed by a roll call vote of 8 yeas, 13 nays and 4 absent and not voting.

Rep. Metcalf moved a Do Not Pass. Rep. Ekstrom seconded the motion. The motion carried by a roll call vote of 13 yeas, 7 nays and 5 absent and not voting. Rep. Metcalf will carry the bill.

Date: 2/12/09
Roll Call Vote #: 1 of 3

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1335

Full House Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Amend to include non-public schools + end

Motion Made By Dosch Seconded By Thoreson

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan		✓			
Vice Chairman Kempenich	✓				
Rep. Skarphol		✓	Rep. Kroeber		✓
Rep. Wald	✓		Rep. Onstad		✓
Rep. Hawken		✓	Rep. Williams		✓
Rep. Klein	✓				
Rep. Martinson	✓				
Rep. Delzer	—		Rep. Glassheim		✓
Rep. Thoreson	✓		Rep. Kaldor		✓
Rep. Berg	✓		Rep. Meyer		✓
Rep. Dosch	✓				
Rep. Pollert	—		Rep. Ekstrom		✓
Rep. Bellew	✓		Rep. Kerzman		
Rep. Kreidt		✓	Rep. Metcalf	✓	
Rep. Nelson		✓			
Rep. Wieland	—				

Total (Yes) 9 No 12

Absent 4

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Voice Vote - failed

Date: 2/12/09
Roll Call Vote #: 2 of 3

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1375

Full House Appropriations Committee

☐ Check here for Conference Committee

Failed Legislative Council Amendment Number _____

Action Taken No Pass

Motion Made By Wald

Seconded By Dosch

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan		✓			
Vice Chairman Kemperich	✓				
Rep. Skarphol		✓	Rep. Kroeber		✓
Rep. Wald	✓		Rep. Onstad		✓
Rep. Hawken		✓	Rep. Williams		✓
Rep. Klein	✓				
Rep. Martinson		✓			
Rep. Delzer	—		Rep. Glassheim		✓
Rep. Thoreson	✓		Rep. Kaldor		✓
Rep. Berg	✓		Rep. Meyer		✓
Rep. Dosch	✓				
Rep. Pollert	—		Rep. Ekstrom		✓
Rep. Bellew	✓		Rep. Kerzman	—	
Rep. Kreidt		✓	Rep. Metcalf		✓
Rep. Nelson	✓				
Rep. Wieland	—				

Total (Yes) 8 No 13

Absent 4

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Date: 2/12/09
Roll Call Vote #: 3 of 3

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1335

Full House Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Passed Action Taken No Not Pass
Motion Made By M. Gray Seconded By Chetron

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan	✓				
Vice Chairman Kemperich		✓			
Rep. Skarphol	✓		Rep. Kroeber	✓	
Rep. Wald		✓	Rep. Onstad	✓	
Rep. Hawken	✓		Rep. Williams	✓	
Rep. Klein		✓			
Rep. Martinson	✓				
Rep. Delzer	—	—	Rep. Glassheim	✓	
Rep. Thoreson		✓	Rep. Kaldor	✓	
Rep. Berg	—	—	Rep. Meyer	✓	
Rep. Dosch		✓			
Rep. Pollert	—	—	Rep. Ekstrom	✓	
Rep. Bellew		✓	Rep. Kerzman	—	—
Rep. Kreidt	✓		Rep. Metcalf	✓	
Rep. Nelson		✓			
Rep. Wieland	—	—			

Total (Yes) 13 No 7

Absent 5

Floor Assignment Rep. M. Gray

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
February 13, 2009 6:23 p.m.

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REPORT OF STANDING COMMITTEE

HB 1335: Appropriations Committee (Rep. Svedjan, Chairman) recommends DO NOT PASS (13 YEAS, 7 NAYS, 5 ABSENT AND NOT VOTING). HB 1335 was placed on the Eleventh order on the calendar.

2009 TESTIMONY

HB 1335

Ladies and Gentlemen of the North Dakota Legislature,

Last spring, my wife, Debbie, contacted Chris Griffin to discuss the possibility of making home schooling expenses tax-deductible. We thank Representative Griffin and Representative Uglem for introducing this act to create a tax-deduction for home schoolers. We believe that a tax-deduction for home schoolers is a reasonable request for several reasons.

As home schooler teachers, my wife and I work hard to provide the best education we can for our children. We are farmers in the Northwood area. We currently have a son in fifth grade, a daughter in first grade, a preschooler son and another son expected at the end of February. We draw from a wide variety of curriculum, and also supplement our children's home school education, as many public school parents do, with gymnastics class, 4-H and piano lessons. Not including these, our curriculum costs per child are about \$800. Other curriculums, such as Abeka, can be significantly more costly. If other items, such as science supplies, art supplies, educational DVDs, books, games, posters, printer paper and cartridges and electronic devices (such as laptop computers) are counted towards the cost of home schooling, the expenses can easily approach or exceed \$2,000.

As the ability to direct our children's education is important to us, we gladly pay for these expenses out of our own pockets. At the same time, we are saving the state a significant amount of money by not having our children in public school. On top of incurring expenses to home school (granted, by our own choice) we are also paying our share of state taxes that support public education as well as property taxes that go to support our local public school. While we realize that many people who do not directly benefit from the public school system, such as people without children, the elderly, etc, still pay taxes to support the public school system, we are not asking to be relieved of the

responsibility of supporting the public school through our taxes, only that we could be relieved somewhat of the double burden of paying for the public school and our home school choice.

Many other states already have a tax credit for home schoolers in place. Many U.S. Senators and House Representatives also support a tax credit for home schoolers at the Federal Level. We believe that home schooling is good for the state of North Dakota on many different fronts aforementioned. We provide a quality education that is unique, tailored to an individual's bent and actually adds to the cultural diversity of our state.

Again, we thank Chris Griffin and Gerald Uglem for their work on our behalf, and ask that you would consider passing this act.

Sincerely,

Mark Korsmo

Northwood, ND

testimony 2
HB 1335

FROM THE OFFICE OF THE
NORTH DAKOTA HOME SCHOOL ASSOCIATION
January 26, 2009

**TESTIMONY OF JAMES BARTLETT ON HB 1335
BEFORE THE ND FINANCE AND TAXATION COMMITTEE**

Chairman Belter, Members of the Committee, Ladies and Gentlemen:

My name is Dr. James Bartlett and I am the Executive Director of the North Dakota Home School Association, which is a non-profit association that has been serving North Dakota home educators since 1985. Our office is located in Bottineau, and our mailing list currently contains about 1000 North Dakota Families who home educate. Thank you for the opportunity to present this testimony in support of HB 1335.

The NDHSA Supports House Bill 1335

Currently, home educating parents are paying twice for the education of their children – once for the public education they don't use and once for the home education equipment, supplies, and activities that they do use.

We support House Bill 1335 because it begins to rectify this double taxation problem. By now allowing home school families to forfeit the money caught in double taxation, the state is reducing the quality of home education, reducing the number of home educating families, and by extension reducing the number of large home educating families choosing to live in North Dakota with their present and future economic potential and good moral influence.

Even while home educators labor under the present double taxation financial constraint, home educated students outperform their public school counterparts by 15 to 30 percentile points across all subjects on standardized achievement tests (Research Facts on Home Schooling, National Home Education Research Institute, July 10, 2006). Our office receives calls every week from mothers and fathers who are concerned about their

children's learning environment and are ready to begin home educating. This represents a huge tax savings for the people of North Dakota and should be further encouraged by supporting House Bill 1335. For example, a mother called recently to ask how to begin home educating. She stated that the taxpayers are currently spending \$40,000 for her special needs child to attend one gym class and one agricultural class for socialization purposes, based on the required Individual Education Plan. This student alone will save the taxpayers \$40,000 per year by choosing home education.

Home Education Saves Tax Payers Lots of Money

To begin to more broadly grasp the tax savings which home education represents to North Dakota tax payers, consider that the ND Department of Public Instruction reported 1,331 homeschool students in their 2004-2005 Pupil Membership Report. There are many more home schooled students in North Dakota than this number represents, because this number only represents the students who used services of the public schools. Even using this small number of home educated students with the average state aid per public school pupil of \$7,041.52 for that same period, we see that North Dakota homeschoolers saved ND taxpayers roughly \$5 million dollars in the 2004-2005 fiscal year alone! HB 1335 would return (\$82,000/\$5M) less than 2% to the home educating families of the money they spend to support a system they don't use.

With home education growing nationally at the rate of 5% to 12 % per year (Research Facts on Homeschooling, National Home Education Research Institute, July 2, 2008), North Dakota taxpayers can expect additional tax savings with each coming year.

Please Fully Investigate Home Education

Please investigate home education, you will find that it is in the best interest of both the taxpayer and the State to promote home education because the majority (80% nationally) have Christian convictions which teach them to not be a burden on society, to obey the

laws of the land, and to love their children. If you compare the North Dakota Public School Health Risk Survey results with the fruit of home education in the state of North Dakota, I am convinced you will see why home education should be encouraged. Home education is motivated by parents' love for their children and their faith; and not by social engineering or financial gain. This again points to the good sense of supporting House Bill 1335 and suggests going even further to financially encourage home education in North Dakota.

A Second Step is Needed

While the North Dakota Home School Association is in full support of this bill, I ask you to consider following this first step with a second step. As legislators entrusted by the public to make the wisest decisions with regard to the collection and distribution of tax money, please notice that this income tax credit serves higher income people and could be improved to also serve lower income people by including property taxes, the source of education funding in North Dakota, in the amount from which the tax deduction can be taken. Most home educators have single and lower incomes by choice. Moms needs to be home educating the children and Dads are looking for jobs that allow them to spend more time with their families.

Specific Examples

If I consider how much this tax credit will benefit individual cases, this is what I find. A home schooling engineering professor at NDSU with a \$70,000 salary package pays only about \$500 for state taxes in one year. Therefore, even though he has four children and could potentially have a \$2,000 tax credit, he does not see much of the credit. Another home educating family has an income of \$15,000 per year and pays no North Dakota income tax, and has seven children. They would not benefit by this tax credit. Both of these families pay 55% of their property tax for education. By adding the education portion of their property tax to the amount from which they can deduct, genuine tax relief

is provided to the majority of North Dakota home educators that will encourage home education with its corresponding higher academic and moral success and service to the state's interest.

Home Educators Incomes Compared

The last income survey conducted of North Dakota home educating families occurred in 1993. At that time, the median annual income for the 104 families surveyed was \$25,450. Home educating families are larger than average and most choose to live on one income. For comparison purposes, the US Census Bureau in 1993 reported that the median Income for a four person family in North Dakota was \$41,084. This demonstrates the home educating family income may be typically below the median and therefore tax relief needs to address the lower than average incomes to be complete.

Summary

In summary, the North Dakota Home School Association urges you to support House Bill 1335. Support this bill because it supports home education with its academic, moral and financial benefits to the individual families with large savings to taxpayers, service to the state's interests, moral stability and economic growth of North Dakota. But don't stop with this draft of a tax credit. To fully serve home educators, this tax credit needs to be amended to be based on both income and property tax before it is complete and genuinely serving the majority of home educators. We would also support the amending of this bill to include private school families.

Thank you for your time and attention. Are there any questions?

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*Encouraging multigenerational faithfulness to the Lord Jesus Christ. Psalm 78:6-7
Assisting home schoolers since 1985.
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Testimony 3
January 26, 2009

Josh Askvig
North Dakota Education Association
Testimony on HB 1335

Mr. Chairman, members of the committee my name is Josh Askvig with the North Dakota Education Association. I appreciate the chance to testify on House Bill 1335 this morning. The NDEA opposes HB1335.

As you have heard HB1335 would provide an income tax ^{deduction} ~~credit~~ for individuals who provide home education. Let me begin by stating that the NDEA does not oppose home education. However, NDEA believes that public tax dollars should be used for a public purpose. HB1335 would allow public dollars to be used for private educational purpose.

While they are currently monitored by the Department of Public Instruction, home schools do not have to follow the same standards and requirements that public schools are held. Further, the local school district is still responsible for covering some of the costs associated with home education. For example a school district must provide standards testing if requested, provide a licensed supervising teacher if requested, and provide assistance to students with learning difficulties. Also, local school districts must provide notifications to home schools such as necessary record keeping, expectations of students, and other important information about achievement. There is a public cost to home schools and reducing revenues through the manner contained in HB1335 is unnecessary.

Again, Mr. Chairman and members of the committee thank you for the time. We hope that you will give this bill a Do Not Pass Recommendation. I would be happy to answer any questions.