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State Policymakers Should Reject K-12 School Voucher Plans Proposals Would Undermine Public Schools

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Every child deserves a quality K-12 education that equips them for long-term opportunities and success. But this year, at least half of the states are considering school voucher bills that undermine the promise of public schooling. School vouchers raise the risk of harm to students, do little to expand opportunity, and cut funding to public schools. State policymakers should reject these proposals.

K-12 school vouchers are typically funded through state revenues and give families a set amount of money per eligible student to cover a portion of private school tuition. These vouchers divert money away from public schools, sometimes by directly re-routing education funding to private schools, and other times indirectly by making it harder to pay teachers, buy new textbooks, and provide quality after-school programming. The support for public schools is high: families overwhelmingly support their schools, and many teachers and other advocates for public education oppose vouchers.¹

Racist in origin, school vouchers perpetuate existing disparities in our K-12 funding and tax systems to further racially and socioeconomically segregate our education system.² Following the U.S. Supreme Court's 1954 decision in *Brown v. Board of Education*, Southern states funded school vouchers to allow white students to avoid legal orders to integrate and attend private academies (also

¹ Anya Kamenetz, "The education culture war is raging. But for most parents, it's background noise," National Public Radio, April 29, 2022, <https://www.npr.org/2022/04/29/1094782769/parent-poll-school-culture-wars>; and Edward Graham, "Educators Push Back Against School Vouchers Legislation," National Education Association, February 17, 2022, <https://www.nea.org/advocating-for-change/new-from-nea/educators-push-back-against-school-voucher-legislation>.

² Michael Leachman *et al.*, "Advancing Racial Equity With State Tax Policy," CBPP, November 15, 2018, <https://www.cbpp.org/research/state-budget-and-tax/advancing-racial-equity-with-state-tax-policy>; Sequoia Carrillo and Pooja Salhotra, "The U.S. student population is more diverse, but schools are still highly segregated," NPR, July 14, 2022, <https://www.npr.org/2022/07/14/1111060299/school-segregation-report>.

known as segregation academies at the time).³ Virginia was the first state to adopt tuition grants, and many of those same academies still exist as private schools in the state, while public schools that serve a disproportionate share of Black students continue to be underfunded.⁴

School Vouchers Tend to Harm Public Schools and Children in Families With Low Incomes

School vouchers reduce overall state revenues to fund public services like education over time. In some extreme cases, they can be designed to divert money that's already been designated for public schools through their state funding formula. School vouchers typically deplete available state revenues by cutting taxes for people who pay into voucher programs or through line-item appropriations in the state budget. And since the largest share of state spending is on public education,⁵ reducing overall state revenues almost inevitably reduces the available funding for public schools, especially as school voucher programs grow.

Some voucher proposals more directly harm public schools by taking education money away that would have otherwise gone to a student's local school through the state K-12 funding formula. For example, Florida's Family Empowerment Scholarship is funded by rerouting designated funding for a student's local public school district to private schools instead.⁶ Other voucher programs may use this rerouting scheme but allow public schools to keep a smaller portion of their per-pupil funding.

All states rely on some metric of student counts to calculate K-12 per-pupil funding, so when vouchers reduce state revenues and the number of children attending public schools, those schools lose funding (either directly through a per-student funding formula or other state and federal funding tied to the per-pupil equation).⁷ School districts can absorb some of the cuts with layoffs and reduced funding for textbooks and supplies. But schools also have expenses that are fixed or more independent of student enrollment, such as air conditioning, school buses (because the enrollment reduction is spread out across a district bus routes are unlikely to fall proportionally), and building maintenance. Depending on the timeline for school districts' budgets, readjusting for

³ Chris Ford, Stephanie Johnson, and Lisette Partelow, "The Racist Origins of Private School Vouchers," Center for American Progress, July 12, 2017, <https://cdn.americanprogress.org/content/uploads/2017/07/12184850/VoucherSegregation-brief2.pdf>.

⁴ Briana Jones and Laura Goren, "Don't Repeat Virginia's History of Divesting from Public Schools," The Commonwealth Institute, March 1, 2023, <https://thecommonwealthinstitute.org/the-half-sheet/dont-repeat-virginias-history-of-divesting-from-public-schools/>.

⁵ CBPP, "State Budgets Basics," revised May 24, 2022, <https://www.cbpp.org/research/state-budget-and-tax/state-budgets-basics>.

⁶ Mary McKillip and Norin Dollard, "Florida's Hidden Voucher Expansion: Over \$1 Billion from Public Schools to Fund Private Education," Florida Policy Institute and Education Law Center, September 2022, https://uploads-ssl.webflow.com/5cd5801dfdf7e5927800fb7f/6329b85d1c60404f4b2897e2_2022_ELC_REPORT_final.pdf.

⁷ Adrienne Fischer, Chris Duncombe, and Eric Syverson, "50-State Comparison: K-12 and Special Education Funding," Education Commission of the States, October 13, 2021, <https://www.ecs.org/50-state-comparison-k-12-and-special-education-funding/>.

voucher and district fixed costs during the academic year can lead to end-of-year deficits and sudden layoffs.⁸

Increasingly, voucher proponents have turned to more complex, expensive proposals to subsidize education — primarily for wealthy families — at the expense of public schools. A recent study of school voucher programs in Arizona, Florida, Georgia, Indiana, Louisiana, Ohio, and Wisconsin shows how state spending increased by hundreds of millions of dollars annually between 2008 to 2019, according to the Southern Poverty Law Center, Education Law Center, and Public Funds Public Schools.⁹ Evidence also shows these policies are not well-targeted toward students from families with low incomes, who often face the greatest barriers to navigating the voucher application process and do little to help these students. If they do get into other schools, it can be a challenge to find transportation.

Instead, voucher programs often benefit those students already enrolled in private school. Arizona enacted the nation’s first universal-eligibility voucher last year, making all students in the state eligible for the program regardless of income level or other form of need. The state’s Department of Education recently found that 75 percent of children applying for the new universal program were not enrolled in the public school system.¹⁰

Over the years, reports from other state voucher programs have also showed that most voucher recipients in New Hampshire,¹¹ Wisconsin,¹² and Missouri¹³ were already attending private schools or were homeschooled. By giving state-funded vouchers to families who already have access to and can afford private school, homeschooling, and other educational costs, revenues that states could have spent on public education and other critical services are reduced over time. (See Figure 1.)

⁸ Stephen Owens, “School Vouchers: Myth vs. Fact,” Georgia Budget and Policy Institute, March 5, 2021, <https://gbpi.org/school-vouchers-myth-vs-fact/>; and Common Good Iowa, “The voucher diversion: How it works,” January 2023, [230119_Fact_sheet_Vouchers_056C4C55DC5D5.pdf \(commongoodiowa.org\)](https://www.commongoodiowa.org/wp-content/uploads/2023/01/Fact-sheet-Vouchers-056C4C55DC5D5.pdf).

⁹ Samuel Abrams and Steven Koutsavlis, “The Fiscal Consequences of Private School Vouchers,” The Southern Poverty Law Center, Education Law Center, and Public Funds Public Schools, March 2023, https://pfps.org/assets/uploads/SPLC_ELC_PFPS_2023Report_Final.pdf.

¹⁰ Howard Fischer, “Most applying for Arizona’s vouchers already go to private schools,” *Arizona Daily Star*, updated November 1, 2022, https://tucson.com/news/local/education/most-applying-for-arizona-vouchers-already-go-to-private-schools/article_34d75b9a-2968-11ed-812b-f7dad22200b5.html.

¹¹ Ethan Dewitt, “Most education freedom account recipients not leaving public schools, department says,” *New Hampshire Bulletin*, March 28, 2022, <https://newhampshirebulletin.com/briefs/most-education-freedom-account-recipients-not-leaving-public-schools-department-says/>.

¹² Edgar Mendez, “75% of state voucher program applicants already attend private school,” *Milwaukee Journal Sentinel*, May 20, 2014, <https://archive.jsonline.com/news/education/75-of-state-voucher-program-applicants-already-attend-private-school-b99274333z1-259980701.html/>.

¹³ Blythe Bernhard and Jack Suntrup, “Missouri lawmakers look to expand tax-credit voucher program mostly serving religious schools,” *St. Louis Post-Dispatch*, January 15, 2023, https://www.stltoday.com/news/local/education/missouri-lawmakers-look-to-expand-tax-credit-voucher-program-mostly-serving-religious-schools/article_ef0b7afb-6805-586b-a668-67b2d10ecd64.html.

Half of All States Considering Damaging School Voucher Proposals This Year

This year, in legislatures across the country, lawmakers are considering more voucher proposals than in recent years. Notably, the proposals are also more complex, which makes it more difficult for policymakers, the media, and the public to understand their full impact. Broadly, these fit into two categories:

- **K-12 tuition tax credits** support vouchers funded by donations from wealthier individuals and businesses.¹⁴ The donations are funneled to scholarship granting organizations (SGOs), which pay private school tuition and other eligible expenses on behalf of students and their families.

Programs vary in the portion of funding that SGOs keep to administer the vouchers.¹⁵ The donors receive a state tax credit for up to 100 percent of their contributions, which reduces their tax liability and thus, state revenues available for investments in public services, including public schools.¹⁶ This arrangement dovetails with other state and federal tax laws in a way that lets some businesses profit from their donations. Twenty-two states have enacted tax credit voucher programs.

- **Education savings accounts (ESAs)** are K-12 school vouchers that are typically funded through the state budget but have a far greater variety of allowable uses, such as homeschooling, private school tuition, exam fees, tutoring, and learning materials. Similar to other types of vouchers, families must apply and be eligible for the program and either homeschool or be admitted to a private school. Unused funds in families' accounts can typically be rolled over until the student graduates from high school or reaches a certain age. Twelve states have established ESA voucher programs, including Arkansas, Iowa, and Utah, this year.

In 2021 Kentucky and Missouri created ESAs funded through tax-deductible private donations, like K-12 tuition tax credits. However, in December of 2022, Kentucky's Supreme Court unanimously struck down the state's tax credit ESA because it violated the state constitution, which explicitly prohibits raising or collecting revenue for non-public education without voter approval.¹⁷

¹⁴ Carl Davis, "Tax Avoidance Continues to Fuel School Privatization Efforts," Institute on Taxation and Economic Policy," March 3, 2023, <https://itep.org/tax-avoidance-fuels-school-vouchers-privatization-efforts/>; and Linda Sugin, "Tax Benefits and Fairness in K-12 Education," *Georgetown Law Journal*, 140, March 3, 2023, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4377638.

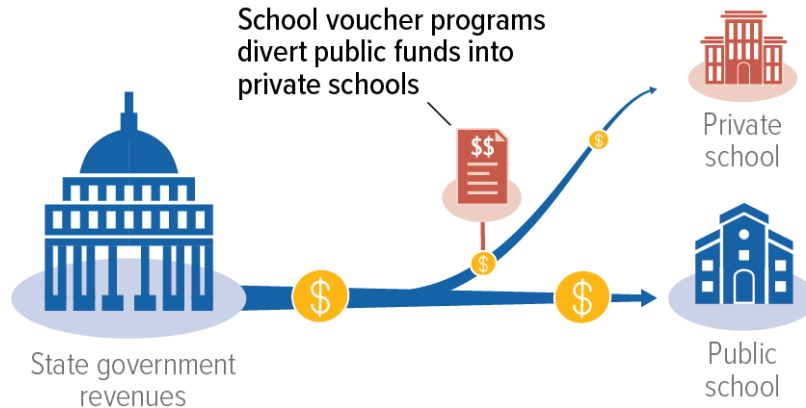
¹⁵ Josephine Lee, "Pawns in the Voucher Scheme," *Texas Observer*, February 7, 2023, <https://www.texasobserver.org/voucher-program-arizona-privitization-public-schools-disabilities/>.

¹⁶ Carl Davis, *op. cit.*

¹⁷ Bryce Shreve and Amber Smith, "Kentucky Supreme Court unanimously strikes down school choice law," Spectrum News, updated December 15, 2022, <https://spectrumnews1.com/ky/louisville/news/2022/12/15/kentucky-supreme-court-school-choice-ruling>.

FIGURE 1

More States Are Considering Harmful School Voucher Proposals in 2023



Note: Eligible families receive funding through school vouchers to spend on private school or homeschool costs.

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At the beginning of 2023, at least 24 other states were also considering one or more voucher proposals that would erode access to well-funded, public K-12 education. While a few of the bills during 2023 legislative sessions also include much-needed boosts to teacher and staff salaries,¹⁸ those steps should be approved separate from proposals that erode public education over the long term. The fiscal impact of voucher programs grows over time to decrease available public education funding in states, offsetting any small investments being made to educator salaries.¹⁹

Among the proposals:

- Florida lawmakers have prioritized a proposal to make their ESA available to all students, at an estimated cost of \$4 billion in the first year of implementation, according to the Florida Policy Institute and Education Law Center.²⁰ (The state House estimated the bill would cost \$209.6 million in its first year of implementation, but only considered the fiscal impact of students who currently attend private schools and participate in existing voucher programs.²¹) While voucher programs are often funded as line-item appropriations in state budgets or

¹⁸ Sylvia Allegretto, "The teacher pay penalty has hit a new high," Economic Policy Institute, August 16, 2022, <https://www.epi.org/publication/teacher-pay-penalty-2022/>.

¹⁹ Abrams and Koutsalvis, *op cit*.

²⁰ Norin Dollard and Mary McKillip, "The Cost of Universal Vouchers: Three Factors to Consider in Analyzing Fiscal Impacts of CS/HB 1," Florida Policy Institute and Education Law Center, March 1, 2023, <https://www.floridapolicy.org/posts/the-cost-of-universal-vouchers-three-factors-to-consider-in-analyzing-fiscal-impacts-of-cs-hb-1>.

²¹ Ryan Dailey, "Florida House says school voucher plan would cost \$209 million next year. Critics disagree – by billions," *South Florida Sun-Sentinel*, February 23, 2023, <https://www.sun-sentinel.com/news/politics/fl-ne-nsf-florida-school-vouchers-cost-millions-20230223-zbuhjj7jp5da3lcmvwcucq66m7i-story.html>.

through private donations (which over time reduces the revenues available for education and other state priorities), this Florida voucher is actually designed to take money away from the state K-12 funding formula designated for public school districts.

- In Nebraska, lawmakers are considering bills to create an ESA or a K-12 tuition tax credit voucher. If passed, the tuition tax credit would let individuals and corporations claim a tax credit worth up to 50 percent of their income tax liability and offer tiers of priority for students applying.²²
- Texas lawmakers are considering at least three voucher proposals: two to enact an ESA and one for a tuition tax credit. One ESA bill would create vouchers worth up to the average amount of per-student K-12 funding (about \$10,000 a year),²³ and another would be targeted to students with certain disabilities, directly diverting funding from the student's designated school district or regional education service center.²⁴ Though vouchers have routinely failed in past legislative sessions, Gov. Greg Abbott has expressed strong support for an ESA proposal this year.
- As of March 15, Kansas lawmakers had passed two versions of Senate Bill 83.²⁵ The Senate's initial version would expand the state's K-12 tuition tax credit including by increasing the household income eligibility from 185 percent to 250 percent of federal poverty guidelines and giving donors a tax credit worth up to the amount of their donation. The House amended the bill to include one-time money for overdue state special education funding.²⁶ The House version also includes ESAs that will be initially available to students who previously attended public schools, are eligible for federal free or reduced priced lunch, or had low state test scores, but eligibility will widen over time. By the 2027-2028 school year, the only remaining requirement will be a family income limit of up to 600 percent of federal poverty guidelines. The House's amended bill passed despite an unknown fiscal impact, which has raised concerns about future effects on the state budget. Lawmakers will now reconcile the differences in the two passed bills in conference.
- Despite failed attempts to pass vouchers in previous years, both Iowa and Utah this January created universal-eligibility voucher programs and attached policies intended to increase pay for public school teachers to these otherwise harmful bills. Iowa's new voucher follows the trend of many of these policies, where the ESA is initially targeted toward families with lower incomes but will expand over time to include all students (a projected cost of \$345 million a

²² Adopt the Opportunity Scholarships Act of 2023, LB 753, https://www.nebraskalegislature.gov/bills/view_bill.php?DocumentID=50326.

²³ Texas Parental Empowerment Act of 2023, SB 176, <https://capitol.texas.gov/BillLookup/History.aspx?LegSess=88R&Bill=SB176>.

²⁴ Texas Senate Bill 1474 of 2023, <https://capitol.texas.gov/BillLookup/Text.aspx?LegSess=88R&Bill=SB1474>.

²⁵ Kansas State Education Budget for Fiscal Year 2024, SB 83, http://www.kslegislature.org/li/b2023_24/measures/sb83/.

²⁶ Andrew Bahl and Jason Tidd, "Laura Kelly's budget boosts special education funding, state worker pay. Here's what to know," *Topeka Capital-Journal*, January 12, 2023, <https://www.cjonline.com/story/news/state/2023/01/12/gov-laura-kelly-kansas-republicans-to-face-off-over-state-budget/69782467007/>.

year once phased-in in 2025).²⁷ And within the first eight days of its legislative session, Utah passed a universal ESA with \$42.5 million in designated funding for the first year.²⁸

- As part of a broader education bill, Arkansas Gov. Sarah Huckabee Sanders unveiled an ESA plan that will phase-in universal eligibility by the 2025-2026 school year and triple the maximum cap for the state K-12 tuition tax credit.²⁹ The speed at which legislators pushed the education plan left little time for educators, constituents, and the public to weigh in on the legislation.³⁰ Just two and a half weeks after the bill text was released, Huckabee Sanders signed the education plan into law.

Some state lawmakers have described Arizona’s universal voucher program, which it expanded last year, as their model for this legislative session. But in a more encouraging step, Arizona Gov. Katie Hobbs’ 2023 budget proposes to roll back the expansion of the state’s voucher to instead target specific, high-need student groups, shifting \$135 million away from vouchers and toward increased support services for teachers next year.³¹ And in Idaho, Senate Republicans rejected a major ESA proposal, citing uncertainties around the cost and administration of a voucher program.³²

Vouchers Can Reduce Protections for Students and Are Unlikely to Boost Opportunity

Regardless of the specifics, evidence from all existing types of voucher programs suggests that policymakers should reject the proposals before them this year. Experience shows:

- **Vouchers can increase the likelihood that students will experience discrimination and harm.** While public schools must adhere to federal civil rights protections, students using vouchers to attend private schools can be explicitly or implicitly denied opportunities based on their race and ethnicity, gender presentation, and disability.³³ For example, many voucher policies explicitly waive students’ protections and rights under the federal Individuals with Disabilities Education Act to have funded services and supports for their learning needs.

²⁷ Students First Act of 2023, HF 68, <https://www.legis.iowa.gov/legislation/BillBook?ga=90&ba=HF68>.

²⁸ Funding for Teacher Salaries and Optional Education Opportunities Act of 2023, HB 215, <https://le.utah.gov/~2023/bills/static/HB0215.html>.

²⁹ LEARNS Act of 2023, SB 294, <https://www.arkleg.state.ar.us/Bills/Detail?pid=SB294&chamber=Senate&ddBienniumSession=2023%2F2023R>.

³⁰ Austin Bailey, “Arkansas LEARNS omnibus education and voucher bill zooms through committee despite questions, could become law within days,” *Arkansas Times*, February 22, 2023, <https://arktimes.com/arkansas-blog/2023/02/22/sen-breanne-davis-presents-omnibus-education-bill-says-educators-and-opponents-lied-about-it>.

³¹ AP News, “New Arizona governor wants to undo school voucher expansion,” January 13, 2023, <https://apnews.com/article/politics-doug-ducey-katie-hobbs-arizona-phoenix-a34be626074ef4d4ded987f841ff9aa8>.

³² Jovanka Palacios, “From Idaho To Texas: Voucher’s Rocky Road to Nowhere,” March 1, 2023, <https://www.reformaustin.org/texas-legislature/from-idaho-to-texas-vouchers-rocky-road-to-nowhere/>.

³³ Bayliss Fiddiman and Jessica Yin, “The Danger Private School Voucher Programs Pose to Civil Rights,” Center for American Progress, May 13, 2019, <https://www.americanprogress.org/article/danger-private-school-voucher-programs-pose-civil-rights/>.

Inadequate services for students with disabilities can lead to students being denied entry or forced to leave the voucher program.³⁴

- **There is limited evidence of vouchers expanding opportunities for students with the highest needs.** Siphoning public dollars to fund private schools does not guarantee that all students will be admitted³⁵ and adequately supported at private schools. Lawmakers in smaller towns and rural communities have asserted that public schools are crucial to their communities, and private education options are often limited or non-existent.³⁶ Moreover, students with lower test scores, students of color, and students with disabilities can face subjective disciplinary action and be pushed out of private schools without recourse.

For example, students in private schools have reportedly been subjected to restrictions on how they style their hair³⁷ (which is more likely to impact Black and Latinx students) and what they wear³⁸ (typically related to sex-based stereotypes).

Past voucher proposals have shown that many voters do not support these policies. On a 2018 ballot, Arizona residents voted down Republican policymakers' voucher expansion bill by wide margins,³⁹ unfortunately, the state legislature passed Arizona's 2022 universal ESA. In Utah, the majority of voters repealed lawmakers' 2017 voucher measure.⁴⁰ This session, Utah's ESA passed with a two-thirds majority in both chambers, ensuring that voters cannot put the policy to a ballot referendum, per state law.⁴¹

³⁴ National Coalition for Public Education, "Vouchers Do not Adequately Service Students with Disabilities," <https://www.ncpecoalition.org/students-with-disabilities>.

³⁵ Tawnell Hobbs, "Do School Vouchers Work? Milwaukee's Experiment Suggests an Answer," *Wall Street Journal*, January 28, 2018, <https://www.wsj.com/articles/do-school-vouchers-work-milwaukees-experiment-suggests-an-answer-1517162799>.

³⁶ Jose DelReal and Emma Brown, "Where school choice isn't an option, rural public schools worry they'll be left behind," *Washington Post*, https://www.washingtonpost.com/national/where-school-choice-isnt-an-option-rural-public-schools-worry-theyll-be-left-behind/2017/02/10/03e7146a-ef23-11e6-9973-c5efb7ccfb0d_story.html; and Brian Lopez, "Texas Republicans are trying to sell school choice measures, but rural conservatives aren't buying," *Texas Tribune*, August 8, 2022, <https://www.texastribune.org/2022/08/08/texas-school-choice-legislation/>.

³⁷ American Civil Liberties Union, "Florida Department of Education Complaint on Behalf of Clinton Stanley Jr." updated December 6, 2018, <https://www.aclu.org/cases/florida-department-education-complaint-behalf-clinton-stanley-jr>.

³⁸ Rebecca Klein, "These Schools Get Millions of Tax Dollars To Discriminate Against LGBTQ Students," HuffPost, updated December 16, 2017, https://www.huffpost.com/entry/discrimination-lgbt-private-religious-schools_n_5a32a45de4b00dbbcb5ba0be.

³⁹ Rob O'Dell, "Arizona Prop. 305 to expand school vouchers defeated," Arizona Central, updated November 7, 2018, <https://www.azcentral.com/story/news/politics/elections/2018/11/06/arizona-prop-305-results-voters-decide-school-vouchers/1809291002/>.

⁴⁰ Cortney Tanner, "Controversial Utah voucher bill passes final vote. What's next?" *Salt Lake Tribune*, January 26, 2023, <https://www.sltrib.com/news/education/2023/01/26/controversial-utah-voucher-bill/>.

⁴¹ Utah Code 204-7-102, <https://vote.utah.gov/instructions-for-a-statewide-referendum/>.

Well-funded public education increases students' future wages and educational attainment, which supports their long-term health, savings, and civic engagement.⁴² Rather than enacting or expanding vouchers, policymakers should strive to fund public schools adequately and equitably. This requires proactively protecting or raising revenue⁴³ and targeting spending to support teachers and staff — particularly as they seek to address disruptions in learning caused by the COVID-19 pandemic⁴⁴ — rather than further diverting fiscal resources to voucher programs that primarily benefit the wealthy and undercut public education.

⁴² C. Kirabo Jackson, Rucker Johnson, and Claudia Persico, “The Effects of School Spending on Educational and Economic Outcomes: Evidence from School Finance Reforms,” National Bureau of Economic Research, January 2015, https://www.nber.org/system/files/working_papers/w20847/w20847.pdf; and Jennifer Ma, Matea Pender, and Meredith Welch, “Education Pays 2019: The Benefits of Higher Education for Individuals and Society,” College Board, 2019, <https://research.collegeboard.org/media/pdf/education-pays-2019-full-report.pdf>.

⁴³ CBPP, “State Revenue Options for Advancing Equity and Prosperity,” <https://www.cbpp.org/research/state-budget-and-tax/state-revenue-options-for-advancing-equity-and-prosperity>.

⁴⁴ Iris Hinh, “State Must Address K-12 Unfinished Learning for an Equitable Recovery,” CBPP, March 18, 2022, <https://www.cbpp.org/blog/states-must-address-k-12-unfinished-learning-for-an-equitable-recovery>.