

School Vouchers

Entitling private schools to tax dollars without accountability or better results

School vouchers are the wrong solution for Texas children because they would:

- Divert public resources from Texas' already under-funded public school system to subsidize private school tuition for wealthier families.
- Enable the use of tax dollars with no accountability standards to ensure the quality of education, and no clear standards to protect against misuse of public funds.
- Offer no real choice to low-income families or families living in rural areas.
- Fail to provide a targeted response to the challenges faced by low-income children attending low-performing public schools.
- Have a negligible impact on student achievement.

CPPP RECOMMENDS:

Instead of using taxpayer dollars to subsidize private school education through vouchers, the Texas Legislature should remodel Texas' outdated school finance system to ensure that there is sufficient financial support for all kids to get a quality public education, no matter where they live or what their background.

View our full analysis on voucher bills with citations: bit.ly/txlegeSB3

Learn more about school finance: bit.ly/txed2017



Texas public schools stand to lose over **\$2 BILLION** from SB 3 vouchers.

Comparison of SB 3 Voucher Provisions

	ESA Vouchers	Tax Credit Vouchers
SUMMARY	State tax dollars that would have been used to educate a student in public school would be placed into a special savings account for the student's family to spend on private tuition and other education-related expenses.	An Education Assistance Organization would distribute discretionary vouchers for 1) private school tuition; 2) educational expenses; and 3) transportation costs.
FUNDING SOURCE	Funding would come from General Revenue tax dollars	Funding would come from donations made by insurance companies in exchange for tax credits, which would deplete General Revenue tax dollars
ELIGIBILITY	Entitlement - any eligible family would get a voucher worth between \$5413 - \$8120 (see table)	<ul style="list-style-type: none"> • Only eligible to apply if student is from a low-income family, in foster care, institutional care, has a parent on active duty in the military, or has a disability • Discretionary - not all eligible students will get one • Award amounts are discretionary, and would be up to \$2906 or \$4,661 based on income level
	If student stays in public school, not eligible for ESA voucher	If student stays in public school, eligible for educational assistance voucher but not for scholarship voucher
	All students currently in public school, plus any entering for first time, are entitled to get ESA voucher	All students currently in public school, plus any entering for first time, could apply for tax credit voucher if they meet eligibility criteria above
	Only subset of low income families would be eligible for both ESA and tax credit voucher	Only subset of low income families would be eligible for both ESA and tax credit voucher
FINANCIAL IMPACT	No limit on total amount of state tax dollars would be spent on ESA vouchers	<ul style="list-style-type: none"> • Total amount would be capped at \$100M for first year, 10% growth per year • Only 2% of all eligible students would get one (57,000 kids out of over 3.1M)
	Public schools would lose over \$2B in funding annually if 5% of students opted for vouchers	Public schools would lose at least \$514M in funding
	State makes small payback to home school districts for first year ESA voucher students only	No paybacks to home school district
ACCOUNTABILITY	Explicitly exempts private schools and vendors who accept ESA vouchers from state educational standards and regulations	<ul style="list-style-type: none"> • Requires private schools to be accredited and to give nationally norm-referenced test • Exempts private schools from requirements under the Individuals with Disability Education Act
	Only random auditing to prevent misuse of state funds by ESA voucher recipients	Annual audit of Education Assistance Organization required

SB 3 Vouchers Benefit Higher Income Families More Than Lower Income Families

(Estimates for families of 2 adults 1 child in high school)

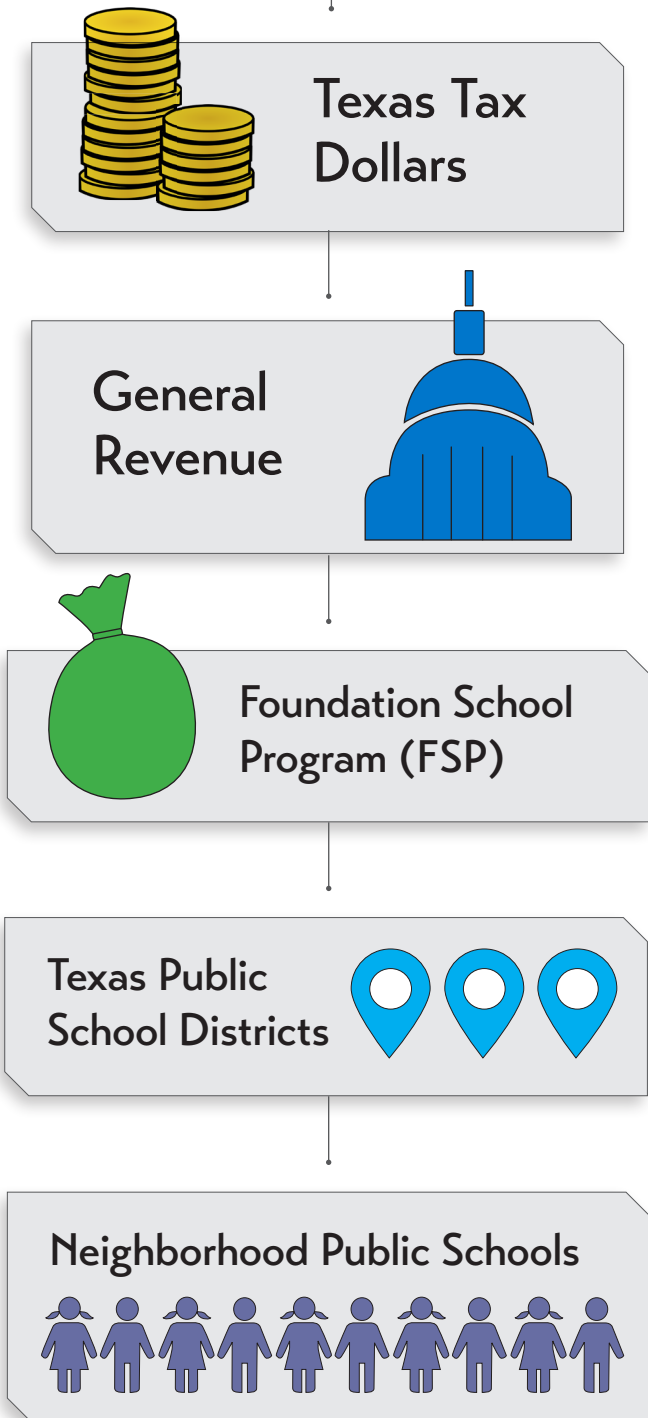
SB 3 income ranges for 3-person families	Example family (annual household income)	Total potential voucher \$	\$ Family still owes for private high school tuition	Additional tuition costs as percentage of family income
\$75,554 - no upper limit	Castros (\$100,000) ESA only	\$5,413	\$4,259	4%
\$66,109 - \$75,554	Campbells (\$70,000)⁷ Scenario 1: ESA only	\$6,767	\$2,906	4%
	Scenario 2: Tax Credit Voucher only ⁸	Up to \$4,511	\$4,661 or more	7% or more
\$0 - \$66,109	Campas (\$35,000) Scenario 1: ESA only ⁹	\$6,767	\$2,906	8%
	Scenario 2: Tax Credit Vouchers only	\$7,767 ¹⁰	\$2,096 or more	8% or more
	Scenario 3: ESA and Tax Credit Voucher	Up to \$10,672 ¹¹	\$0-2,906 ¹²	0-8%

Estimated Funding Lost in One Year to School Districts from SB3 Vouchers

School District	Total # of enrolled students 2014-15	Financial loss to school districts if 5% of students opt for vouchers
All Texas School Districts	5,210,148	- \$2,012,354,538
<i>Urban Districts</i>		
Houston ISD	214,462	- \$82,863,757
Dallas ISD	160,148	- \$ 62,441,716
San Antonio ISD	53,701	- \$ 21,043,455
Amarillo ISD	33,169	- \$ 12,721,739
<i>Suburban Districts</i>		
Garland ISD	57,323	- \$ 21,858,743
Pasadena ISD	55,395	- \$ 21,428,815
<i>Town and Rural Districts</i>		
Pharr-San Juan-Alamo ISD	32,272	- \$ 12,610,165
Greenville ISD	4,727	- \$ 1,817,600
Prairiland ISD	1,131	- \$ 428,787
Wheeler ISD	486	- \$ 182,770

SB 3 Means Far Less Money for Texas Public Schools

CURRENT FUNDING



FUNDING UNDER SB3

