

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.
- Reduce overall state funding for education.
- Offer no real choice to low-income families, because the high cost of private tuition would not be fully covered by the vouchers.
- Provide no solution for low-income families living in rural areas.
- Enable the use of tax dollars without adequate accountability to ensure the quality of education.
- 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taxpayer dollars to subsidize private school education through vouchers, the Texas Legislature should remodel Texas' outdated school finance system to ensure that there is sufficient financial support for all kids to get a quality public education, no matter where they live or what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 the revised SB 3 with citations: bit.ly/txlegeSB3-revised



Texas public schools stand to **lose over**
\$850 MILLION
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	All families who meet income eligibility requirements and do not live in counties with a population of less than 285,000 would get a voucher (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
	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.
	Student must have attended public school during the entire preceding academic year.	Student must have attended public school during the entire preceding academic year.
	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 \$25M • Less than one-half of 1% of all eligible students would get one (14,000 kids)
	Public schools would lose over \$850M in funding annually if 5% of students opted for vouchers.	Public schools would lose at least \$127M 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 offer no real choice to low-income families due to high cost of private school tuition (Estimates for families of 2 adults 1 child in high school)

SB 3 income range for 3-person families	Scenarios	Total potential voucher \$	\$ Family still owes for private high school tuition	Additional tuition costs as percentage of family income
\$0 - 75,078	ESA only	\$6,767	\$2,906	\$75,000 = 4%
				\$50,000 = 6%
				\$30,000 = 10%
\$66,109 - 75,554	Tax Credit Vouchers only	\$7,767	\$2,406 to \$9,672	\$75,000 = 3-13%
				\$50,000 = 5-19%
				\$30,000 = 8-32%
	ESA and Tax Credit Vouchers	Up to \$10,672	\$0-2,906	\$75,000 = 0-4%
				\$50,000 = 0-6%
				\$30,000 = 0-10%

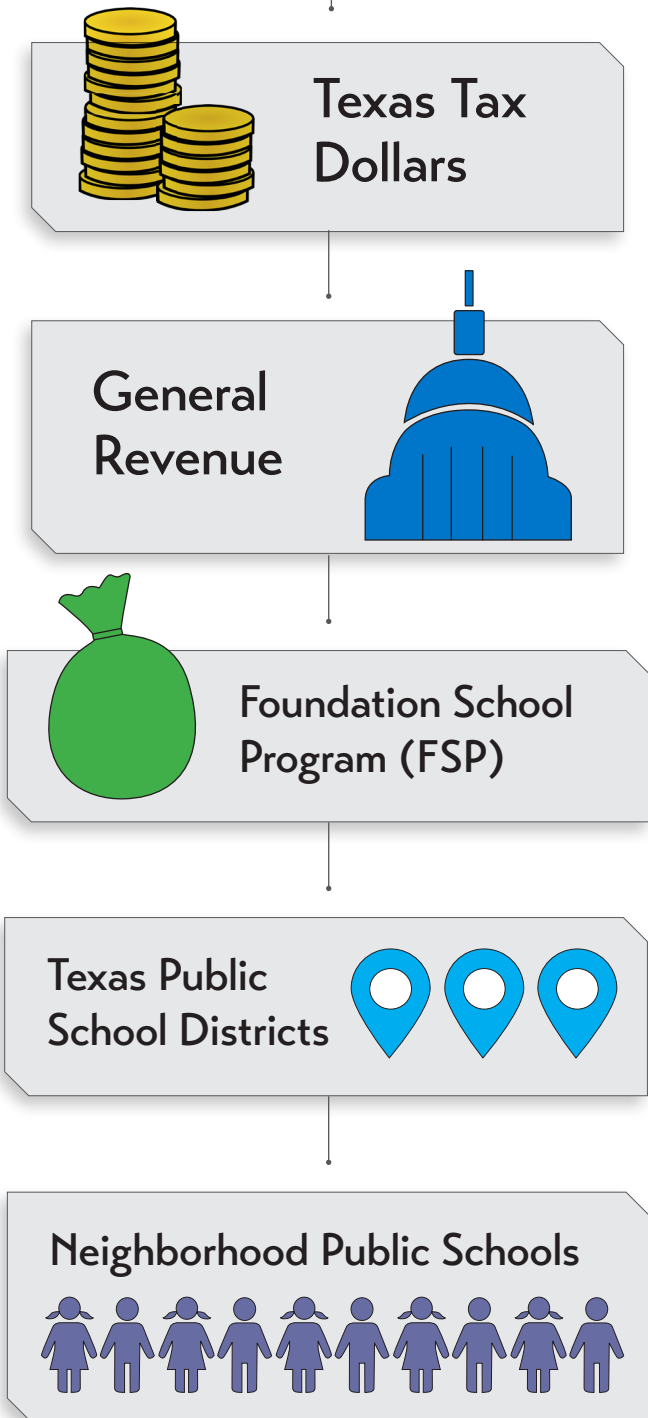
Estimated Funding Lost in One Year to School Districts from SB3 Vouchers

School district	Total # students enrolled in eligible districts (2014-15)	Total # of economically disadvantaged students in eligible districts (2014-15)	Estimated financial loss to school districts		
			if 5% of eligible students opt for vouchers	if 3% of eligible students opt for vouchers	if 1% of eligible students opt for vouchers
Total eligible students in all Texas districts	3,659,180	2,160,715	– \$852,834,318	– \$511,700,591	– \$170,566,864
<i>Urban Districts</i>					
Dallas ISD	160,148	137,439	– \$54,247,179	– \$32,548,307	– \$10,849,436
El Paso ISD	60,556	41,045	– \$16,200,405	– \$9,720,243	– \$3,240,081
Houston ISD	214,462	161,747	– \$63,841,636	– \$38,304,981	– \$12,768,327
San Antonio ISD	53,701	49,201	– \$19,419,578	– \$11,651,747	– \$3,883,916
<i>Suburban Districts</i>					
Carrollton-Farmers Branch ISD	26,152	16,884	– \$6,664,009	– \$3,998,405	– \$1,332,802
Garland ISD	57,323	34,675	– \$13,686,097	– \$8,211,658	– \$2,737,219
Pasadena ISD	55,395	42,527	– \$16,785,305	– \$10,071,183	– \$3,357,061
Spring ISD	36,781	26,512	– \$10,464,186	– \$6,278,511	– \$2,092,837
<i>Town and Rural Districts</i>					
Los Fresnos ISD	10,631	8,319	– \$3,283,414	– \$1,970,048	– \$656,683
Killeen ISD	42,581	24,424	– \$9,640,335	– \$5,784,201	– \$1,928,067
Pharr-San Juan-Alamo ISD	32,272	28,503	– \$11,249,988	– \$6,749,993	– \$2,249,998
Texas City ISD	6,244	4,074	– \$1,607,844	– \$964,707	– \$321,569

View the impact of SB 3 on all Texas school districts: bit.ly/SB3impact-alldistricts

SB 3 Means Far Less Money for Texas Public Schools

CURRENT FUNDING



FUNDING UNDER SB3

