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DON'T SEND PUBLIC MONEY TO UNACCOUNTABLE PRIVATE SCHOOLS:

Reject the neovoucher component of the Appropriations Act of 2013

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EXECUTIVE SUMMARY:

- Voucher programs do not improve student achievement: in education systems that have experimented with vouchers, public school students have outperformed voucher recipients.
- Voucher programs have not demonstrated the promised monetary savings. Additionally, because accountability is limited for private schools, serious financial abuses have occurred.
- Despite this, one portion of the Appropriations Act of 2013 – Section 8.29(a) – would send public money to unaccountable private schools. This would siphon money from traditional public schools, which demonstrate better results for student achievement, and are thus a far better investment in North Carolina's students.

Voucher proposals that would send public money to private schools are dangerous for students. One portion of the Appropriations Act of 2013, section 8.29(a), would establish a voucher-like scheme under the guise of private school “opportunity scholarships.” Opportunity scholarships are commonly termed “neovouchers,” because they function in essentially the same way as traditional vouchers but avoid some of the legal problems and negative connotations associated with traditional vouchers.

Voucher programs do not improve student achievement, and in education systems that have experimented with vouchers **traditional public school students regularly outperform voucher recipients**. Proposed voucher schemes are usually accompanied by purported claims of savings, but these **savings have not materialized for education systems that have implemented voucher programs**. Accountability and transparency are extremely limited for voucher programs because private schools are not subject to the same requirements as traditional public schools. As a result, **serious financial abuses are common amongst schools participating in voucher programs**.

No Positive Impact on Student Achievement

This section of the House Appropriations bill does not contain the words “student achievement,” and with good reason: vouchers have been tried in the United States for over 20 years and no positive impact on student achievement can be shown.

Recent evidence from Louisiana, the state that most recently implemented a similar voucher program, shows that half as many voucher recipients performed at grade level in comparison with the state average for public school students. **In the jurisdictions that have had voucher programs in place the longest (Milwaukee and Cleveland), traditional public school students outperform voucher recipients on the overwhelming majority of available proficiency measures**. Neither school district has been able to improve its position among the lowest performing urban districts in

the nation. None of the highest performing states or countries on international educational measures has achieved success by utilizing voucher programs – all have done so by making a strong financial commitment to traditional public schools.

Diverting Resources from Underfunded Public Schools

The proposed voucher plan would siphon \$100 million dollars from the public school system over the next three years, and the amount of money required to fund the program is set to grow each year. This loss of funding would come at a critical juncture when traditional public schools are already systematically underfunded. North Carolina currently ranks 46th in the nation in per pupil expenditures, ahead of only Mississippi in the Southeast. **The state currently spends half a billion dollars less on public schools than it did in 2008 even though the student population has risen by over 50,000 over the same time period.**

Voucher proposals are always accompanied by claims of potential long-run savings that do not materialize. Under the House proposal, **each voucher recipient who would have attended private school regardless of the existence of the voucher program loses the state \$4,200.** If at least one out of every four voucher participants falls into this category of students who already planned on attending private school (which is commonly the case), the state will lose money as a result of starting this voucher program. Additionally, kindergarteners and first graders who have never attended public school are eligible to receive vouchers under the House voucher scheme. **The legislative research staff estimates that this voucher program will lose the state \$4.2 million in its second year of operation,** with the losses increasing as the program increases in size in year three.

Low-Income Families Would Still Lack Access to High Quality Schools

Voucher programs that have operated in the United States have been unable to limit participation to low-income students. The main difficulty is that the amount of the voucher is often much smaller than the cost of private schooling, particularly at prestigious schools, and low-income families are unable to make up the difference. By contrast, high- or middle-income families may be more likely to take advantage of vouchers as a taxpayer-funded subsidy to help pay for private school tuition. This will be particularly true for the House proposal because the amount of the voucher (\$4,200) is far less than the cost of tuition at a high quality North Carolina private school.

Private Schools are Unaccountable for Public Funding

Vouchers and neovouchers completely remove public school accountability and transparency to taxpayers and their representatives. Private schools are not subject to the same testing requirements, failing school turnaround models, school report cards, or curricular requirements that public schools are, and do not have to report on the academic achievement of voucher students unless there are more than 25 students enrolled in the school. Private schools only have to conduct an audit if it receives more than \$300,000 from vouchers. **There is no way for taxpayers or elected officials to know if public funds are being spent wisely in private schools because private schools are not held accountable in the same way public schools are.**

This lack of accountability has led to serious abuses. In Milwaukee, voucher funds have paid for luxury cars, gold necklaces, personal real estate, and in many cases have gone directly into the pockets of school operators who were later found guilty of embezzlement. In Florida, numerous cases of fraud have been substantiated regarding the McKay Opportunity Scholarship, including one school that defrauded the state out of over \$200,000 by claiming to serve students with disabilities who had never enrolled. North Carolina cannot afford to send public money to unproven, unaccountable private schools at a time when public schools are already dramatically underfunded.