

**Position Paper: Arizona Education Vouchers**  
**Alliance4Action Education Action Team**  
July 15, 2017

**Issue:** Should Arizona provide vouchers (Empowerment Scholarship Accounts—ESAs) to be used towards private and religious school tuition and expenses?

**Our Position:** We believe Arizona should eliminate all education vouchers.

**Why do we have this position:** Our primary concern is that vouchers seriously undermine public school education which we feel is the cornerstone of a democratic society.

**Background:**

The Arizona legislature recently passed bill 1431 which expands eligibility for Empowerment Scholarship Accounts (ESAs), i.e., vouchers, to all students. Previously, there were eight eligibility categories for vouchers including students from low income families, special needs students and children living on tribal lands. As of the Fall, 2016, only 0.28% of Arizona students received vouchers to attend private or parochial schools.

Under the voucher expansion bill, there is a current-year cap of 5,500 vouchers per year which will be expanded to 30,000 by 2022. However, the Goldwater Institute has vowed to get the cap lifted, allowing 1.1 million Arizona students to receive vouchers.

Each basic voucher for mainstream (not disabled) students is worth about \$4,400. The funds for these ESAs/vouchers are taken from the state's general fund. Depending on the number of private school students who sign up for kindergarten without ever going to public school, expansion of the Empowerment Scholarship Account program could divert from the state's general fund as much as \$35 million a year in 2020-2021, according to the [Joint Legislative Budget Committee](https://apps.azleg.gov/BillStatus/GetDocumentPdf/448680). (<https://apps.azleg.gov/BillStatus/GetDocumentPdf/448680>) By 2030, the potential costs to state taxpayers could be as much as \$75 to \$125 million a year, depending on how many private school students apply for ESAs. (per an *Arizona Republic* analysis of JLBC data, February, 2017.)

The ESA money is given to parents on a debit card. The parents can use the money to pay for their child's educational related expenses, including private and religious school tuition and expenses related to home schooling. Also, the debit card can be used to pay for books, tutors, certain supplies, educational therapies, uniforms, etc.

**Details:**

- □ □ **Voucher expansion threatens the very existence of our public school system.** Arizona is already near the bottom of all states on funding for public school education. Ninety-four percent of Arizona students attend public schools, yet the legislature insists on undermining public education. Millions of dollars of taxpayer money which is intended for public education will be siphoned off to pay for private schooling, leaving public education in even worse financial straits. Teacher salaries are among the lowest in the country which contributes to a high teacher turnover rate and many unfilled positions. Many students are taught by uncertified and unqualified

personnel. School facilities are in disrepair due to the lack of maintenance funding. Deeper reductions of public school funding cannot be tolerated.

- **Vouchers are taxpayer dollars that are allocated to the general fund for public education but are being diverted to private, parochial and home schooling.** Theoretically, because the money is following the child, there should be no negative funding impact on public schools. However, there are fixed costs in running a school that do not transfer with each child. These fixed costs are approximately 19% which include such items as the number of required teachers, utilities, transportation costs, facility repair and maintenance, etc. These costs can't be reduced on a one for one basis proportional to the attrition of students. The remaining students bear the brunt of the burden in the form of lower teacher salaries, higher class size, outdated books and technology, poorly maintained school buildings, older buses, etc. If there were to be an exodus from public schools to private schools, eventually the fixed costs to run those schools could force school closures and consolidations.
- **Vouchers use public funds to subsidize the wealthy who send their children to private and religious schools or who home school.** The ESAs/vouchers can be used for private or religious schools and for home schooling. However, for non-special needs students transferring from a public district school, the ESAs average only about \$4,400 which is insufficient to cover the cost of most private and religious school tuition. The average private elementary school tuition in Arizona is \$6,000 and the average private high school tuition is \$18,000. Only families who are wealthy enough to pay the difference will benefit from the vouchers. Children from less affluent families, as well as children in the many rural areas which have no private or religious schools, will remain in under funded public schools. Also, home schooling is not feasible for most low-income families. Families who home school generally have one parent who does not work and stays home to provide education. Many low income families are single parent households and two parent low income households generally do not have the financial luxury of having only one wage earner.
- **Vouchers are drawing students mostly from higher performing public schools.** Although lawmakers and voucher advocates contend that vouchers allow students from under-performing schools to reap the benefits of expanded school choice, the reality has been that, thus far, more than 75% of ESAs have been allocated to students who came from districts with an "A" or "B" rating. Only 4% of the vouchers were for students in "D" or lower rated public school districts.
- **Private schools are not easily accessible to lower income and special needs students.** Although ESAs were initially intended for low income and disabled students, these two populations are the least able to take advantage of them. Besides the barriers created by the financial issues cited above, private schools generally do not provide transportation, generally do not offer free or reduced lunches, and most do not have the staff or expertise to educate severely disabled students. (Only about 3 percent of the money is designated specifically for special-needs students.) Private and religious schools are not required to admit all students and often require entrance examinations which screen out children who exhibit learning or behavior problems.
- **ESA expansion will cost taxpayers more money.** An expansion of the Empowerment Scholarship Account program will cost taxpayers an additional \$24 million annually and potentially many millions more. (<http://www.azcentral.com/story/news/politics/arizona-education/2017/02/17/arizona-school-voucher-expansion-costs/97965256/>) According to the *Arizona Central's* article, an analysis by the Arizona School Boards Association (ASBA) of the fiscal impact of ESA expansion reached a similar conclusion. The ASBA study found "ESAs cost the state nearly \$1,100 more per elementary student who

leaves public school with an ESA, and nearly \$1,300 for high school students who leave public schools and go to private school with an ESA.” ESAs cost more because they are funded at charter-school levels, which are higher than public school levels, and “there have been large cuts in recent years to additional assistance to public schools.”

- **Vouchers do not improve academic outcome.** According to a *Washington Post* article, there are no examples of any statewide [voucher] program producing overall positive academic results. ([https://www.washingtonpost.com/local/education/school-voucher-recipients-first-lose-academic-ground-later-catch-up-to-peers-studies-find/2017/06/26/d99f94b8-5a0f-11e7-a9f6-7c3296387341\\_story.html?utm\\_term=.b3290b817728](https://www.washingtonpost.com/local/education/school-voucher-recipients-first-lose-academic-ground-later-catch-up-to-peers-studies-find/2017/06/26/d99f94b8-5a0f-11e7-a9f6-7c3296387341_story.html?utm_term=.b3290b817728)). Vouchers do not solve any problems basic to our educational system, such as the generally lower academic achievement of disadvantaged students. Furthermore, in contrast to public schools, private, religious and home schools have no state accountability requirements and are not held to any state or federal standards.
- **ESAs will contribute to a dual system of segregated schools.** With the expansion of ESAs, Arizona schools will become a two-tiered system divided by race, ethnicity, wealth, disability and religion. Schools catering to ESA students will be whiter and wealthier and will have fewer disabled students while public schools will have an over-representation of children of color, children from lower economic households, and children with disabilities. ESAs are available to students who attend “qualified schools,” which are defined as “a nongovernmental primary or secondary school or a preschool for pupils with disabilities that is located in this state and that does not discriminate on the basis of race, color or national origin.” Note that the law excludes discrimination based on sex, religion and disability. The protection for race, color and national origin has no enforcement mechanisms, so is of limited value. Also, enforcement would be difficult because the law “does not permit any government agency to exercise control or supervision over any nonpublic school or home school” and authorities would have to prove “the law is necessary and does not impose any undue burden on qualified schools.” Effectively, ESA students have no civil rights protections under either state or federal law if they attend a “qualified school” that does not accept state or federal funding.
- **ESAs divert public funds to religious schools.** Although the U.S. Supreme Court has ruled that this diversion of public money, channeled through parents rather than paid directly to religious institutions, is constitutional, many still consider this a violation of the constitutional principle of the separation of church and state. Furthermore, the use of public funds in this manner facilitates discrimination and segregation based on religion.
- **Oversight and accountability is lacking.** Resources to audit how ESA money is used are limited and there have been many reports of misuse. According to an *AZ Central* article, “some parents transferred all of their scholarship money into a 529 college-savings account and then left the program — preventing the state from recouping the funds. Others pocketed the money and sent their kids to public schools. Some purchased books or other materials using their state-issued debit cards and then immediately returned them. The refunded money was put on gift cards, allowing parents to spend it with no scrutiny.” (<http://www.azcentral.com/story/news/local/arizona-education/2017/06/22/oversight-arizona-esa->

[school-voucher-program-almost-sham/407961001/](#)). The state also has not been able to produce required annual audits and has no records of how much ESA money individual private schools have received.

### **Summary**

**Vouchers, as implemented in Arizona (ESAs), are diverting significant amounts of taxpayer money from public education to fund private, religious and home schooling education. As voucher expansion progresses, public school funding will continue to decline while the proportion of high needs students in public schools will increase. The many negatives of vouchers include: subsidizing the wealthy at the expense of the poor; increased segregation with no civil rights protections; increased cost to taxpayers; lack of evidence for academic superiority; lack of accountability; and lingering constitutional questions about separation of church and state.**