Arizona

This excerpt is taken from the Public Funds Public Schools report The Fiscal Consequences of Private School Vouchers by Samuel E. Abrams and Steven J. Koutsavlis. The report documents the growth of voucher programs and spending in seven states between 2008 and 2019.

Arizona introduced the nation’s first tax credit voucher, the Individual Income Tax Credit Scholarship Program, in 1997. The state added the Low-Income Corporate Tax Credit Scholarship Program in 2006, the Lexie’s Law for Disabled and Displaced Students Tax Credit Scholarship Program in 2009, and the Switcher Individual Income Tax Credit Scholarship Program in 2012. In addition to this array of tax credit voucher programs, Arizona enacted the country’s first ESA voucher in 2011, calling it the Empowerment Scholarship Accounts program.

In fiscal 2008, total spending in Arizona for the two voucher programs then in existence amounted to $67,735,038.* By fiscal 2019, spending on the state’s four voucher programs had risen to $250,819,262, an increase of 270 percent in total and an average annual growth rate of 12.6 percent. Together, Arizona’s voucher programs served approximately 103,000 students as of 2019. This total represented 9.4 percent of the state’s 1.1 million PK-12 students.

While Arizona increased its spending on these programs by 270 percent from fiscal 2008 to fiscal 2019, the state decreased its per-pupil funding for public education over this time period by 5.7 percent, from $8,038 in fiscal year 2008 to $7,582 in fiscal year 2019. The 49 other states, on average, increased per-pupil spending over this time period by 9.5 percent.

This decline in per-pupil funding in Arizona cannot be attributed to economic duress. It coincided with a 3.2 percent annual growth rate in GDP for the state from 2008 to 2019, exceeding the 3.1 percent mean annual growth rate over this time period for the 49 other states. In terms of educational effort, measured as the percentage of state GDP allocated to PK-12 funding, this decline shows Arizona to be retreating significantly in its commitment to public education at the same time it substantially increased its funding of private schooling. In fiscal year 2008, Arizona allocated 3.3 percent of its GDP to PK-12 funding, giving it a rank of 38 among the 50 states. In fiscal year 2019, Arizona allocated 2.3 percent of its GDP to PK-12 funding, conferring a rank of 50 among the 50 states. Over this time period, however, enrollment in Arizona public elementary and secondary schools climbed 2.2 percent.

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* All spending amounts presented here are in 2020 dollars.