

The Myth of Cost Savings from Private School Vouchers

The notion that it costs less to educate students with publicly funded private school vouchers than it does to educate them in traditional public schools ignores important realities that make voucher programs expensive, impractical and unsound.

➤ **VOUCHERS ARE MORE EXPENSIVE THAN PUBLIC SCHOOLING**

A 2018 study found the cost of educating a student through an Arizona private school voucher program was 75% higher than the cost of educating an Arizona public school student.¹ Another study estimated that shifting to a system of private school vouchers could raise education costs by 25% or more when accounting for students who would have attended private schools without a voucher, administrative costs like record keeping and program monitoring, and other expenses.²

➤ **VOUCHER PROGRAMS ARE EXPENSIVE TO OPERATE**

Private school voucher programs have costs beyond the face value of the voucher, including record keeping, information dissemination, and dispute adjudication.³ Even states with lax accountability systems in their voucher programs must set up and implement the program, disburse funds, and interface with private schools. When more robust accountability systems are in place, state education departments must monitor the use of voucher funds by families and private schools. Requiring states to monitor two separate education systems is an inefficient use of limited resources.

➤ **VOUCHERS SHIFT EDUCATION EXPENSES TO PARENTS**

Whereas public schools provide transportation, special education services, and free or reduced-price lunches for qualifying students, these and other essential services must often be purchased separately by families using vouchers to attend private schools.⁴ This is in addition to the frequent need to “top up” the value of a voucher to cover the full cost of private school tuition.⁵

➤ **FRAUD AND MISUSE INCREASE THE COST OF VOUCHER PROGRAMS**

In addition to the costs inherent in operating a private school voucher program, investigations have shown these programs sometimes result in mismanagement of public funds and fraud.⁶ The necessary audits and oversight to prevent and address such abuse consume additional public resources.

➤ **VOUCHER PROGRAMS SUBSIDIZE PRIVATE EDUCATION FOR STUDENTS WHO WOULD NOT OTHERWISE HAVE ATTENDED PUBLIC SCHOOL**

It is not true that voucher programs simply shift funds that would have been spent on public school students to pay for their private education. When states establish private school

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voucher programs, families already paying for or planning to use private education often participate.⁷ Many voucher laws permit participation by students who have not previously attended public school, such as those entering kindergarten. It is inaccurate to assume that students receiving a voucher switched from public to private education.

➔ VOUCHER PROGRAMS DO NOT CHANGE FIXED COSTS IN PUBLIC SCHOOLS

Public schools, which serve the vast majority of students, have substantial “fixed costs.” Because students who participate in voucher programs exit their public school districts from different schools, grade levels and classrooms, districts are not able to proportionally reduce facilities, staff, programs, and other fixed costs to fully offset the loss of funding that is diverted to voucher programs.⁸

➔ VOUCHER PROGRAMS CONCENTRATE STUDENTS WHO REQUIRE INCREASED RESOURCES IN PUBLIC SCHOOLS

Because private schools can refuse to admit or provide adequate services for students with disabilities, English learners, and others who may require increased resources for an equitable education,⁹ these students are more frequently educated in public schools. Private schools participating in voucher programs may also “counsel out” or expel students they deem “high cost.”¹⁰ In other cases, parents return their children to public schools when they realize they are not receiving the necessary services or supports or are not entitled to the same legal protections as in public schools. Public schools continue to require sufficient resources to serve students with additional needs, even when public funds are diverted from them to pay for vouchers.

➔ INVESTING IN PUBLIC SCHOOLS IS MORE COST EFFECTIVE THAN VOUCHER PROGRAMS

Private school voucher programs threaten vital funding for public schools¹¹ but are not shown to improve students’ academic outcomes.¹² By contrast, evidence-based and cost effective strategies, such as increasing educator pre-service training,¹³ expanding access to high-quality early childhood education,¹⁴ and improving wrap-around services and enrichment opportunities, have been shown to increase student achievement. When we invest in public schools, all students and their communities have true opportunities to learn, grow, and thrive.

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1 Dave Wells, Grand Canyon Inst., *\$10,700 Per Student: The Estimated Cost of Arizona’s Private School Subsidy Programs* (2018), https://grandcanyoninstitute.org/wp-content/uploads/2018/09/GCI_Policy_Private_School_Program_Costs_2018_Sept_5_2018.pdf.

2 Henry M. Levin & Cyrus E. Driver, *Cost of an Educational Voucher System*, 5(3) Educ. Econ. 265 (1997), <https://www.tandfonline.com/doi/abs/10.1080/09645299700000023>.

3 See, e.g., *id.*

4 See, e.g., Meghan Casey Whittaker, *The Average Voucher Doesn’t Cover Full Cost of Private School, NCLD Data Analysis Shows*, Understood (Nov. 21, 2017), <https://www.understood.org/en/community-events/blogs/the-inside-track/2017/11/21/the-average-voucher-doesnt-cover-full-cost-of-private-school>.

5 See, e.g., *id.*

6 Leslie Postal, Beth Kassab & Annie Martin, *Florida Private Schools Get Nearly \$1 Billion in State Scholarships with Little Oversight, Sentinel Finds*, *Orland Sentinel* (Oct. 17, 2017), <https://www.orlandosentinel.com/news/education/os-florida-school-voucher-investigation-1018-htmlstory.html>; State of Ariz., Office of the Auditor Gen., *Arizona Department of Education: Department Oversees Empowerment Scholarship Accounts Program Spending, but Should Strengthen its Oversight and Continue to Improve Other Aspects of Program Administration* (2016), https://www.azauditor.gov/sites/default/files/16-107_Report.pdf.

7 See, e.g., Levin & Driver, *Cost of an Educational Voucher System*, *supra*.

8 See, e.g., Stuart S. Yeh, *The Cost-Effectiveness of Five Policies for Improving Student Achievement*, 28(4) Am. J. Evaluation 416 (2007), <https://journals.sagepub.com/doi/10.1177/1098214007307928>; Raise Your Hand Tex., *Death By A Thousand Cuts: Fixed Costs, District Budgets, and School Privatization* (2017), <https://www.raiseyourhandtexas.org/school-vouchers/truth-vouchers-school-district-costs/>.

9 See, e.g., Julie F. Mead & Suzanne E. Eckes, Nat’l Educ. Policy Ctr., *How School Privatization Opens the Door for Discrimination* (2018), https://nepc.colorado.edu/sites/default/files/publications/PB%20Mead-Eckes%20Privatization_4.pdf.

10 Luis Benveniste, Martin Carnoy & Richard Rothstein, *All Else Equal: Are Public and Private Schools Different?* (2013); Selene Almazan & Denise Stile Marshall, Council of Parent Attorneys and Advocates, *School Vouchers and Students with Disabilities: Examining Impact in the Name of Choice* (2016), https://cdn.ymaws.com/www.copaa.org/resource/resmgr/docs/Policy_Docs/COPAA_Voucher_paper_final_R6.pdf.

11 See, e.g., Ellie Bruecker, Nat’l Educ. Policy Ctr., *Assessing the Fiscal Impact of Wisconsin’s Statewide Voucher Program* (2017), https://nepc.colorado.edu/sites/default/files/publications/PM%20Bruecker%20Funding_0.pdf.

12 See, e.g., Ulrich Boser, Meg Benner & Erin Roth, Ctr. for Am. Progress, *The Highly Negative Impacts of Vouchers* (2018), <https://cdn.americanprogress.org/content/uploads/2018/03/22115443/NegativeEffectsVouchers-report2.pdf>; Jonathan Mills & Patrick Wolf, *The Effects of the Louisiana Scholarship Program on Student Achievement after Four Years*, Univ. of Ark. Working Paper Series (2019), https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3376230. For additional research documenting the negative effects of vouchers on student outcomes, visit the PFPs website’s Research page: <https://pfps.org/research/>.

13 Donald J. Boyd, Pamela L. Grossman & Hamilton Lankford, *Teacher Preparation and Student Achievement*, 31(4) Educational Evaluation & Pol’y Analysis 416 (2009), <https://journals.sagepub.com/doi/10.3102/0162373709353129>.

14 James J. Heckman & Dimitry V. Masterov, *The Productivity Argument for Investing in Young Children*, 29(3) Rev. Agricultural Econ. 446 (2007), https://jenni.uchicago.edu/papers/Heckman_Masterov_RAE_2007_v29_n3.pdf.