

# The Dangers of Private School Vouchers for Idaho Students, Schools, and Communities

JANUARY 2024



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A high-quality public education system that ensures all Idaho children have the opportunity to thrive requires robust state investment. This report from the Idaho Center for Fiscal Policy (the Center) and Public Funds Public Schools (PFPS) addresses the dangers posed by proposals to establish private school voucher programs in Idaho, which would divert funding away from public schools.

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School vouchers allow families to use public funds to pay for their children's private education. While Idaho does not currently have school vouchers, such programs enacted across the country - which include tax credits, grants, and savings accounts - have consistently demonstrated that states with voucher programs tend to expand them over time. These expansions dramatically increase the amount of public funds diverted to private education while state investment in public education remains stagnant or decreases.

The use of publicly funded vouchers to pay for K-12 private education expenses — which carries numerous negative consequences — has recently accelerated across the United States. Idaho lawmakers rejected several private school voucher proposals during the 2023 Legislative Session. These proposals raised questions for Idahoans about what private school vouchers are, how they operate, why they are controversial, and what impacts they can have on students and public education budgets. This report, which can be used as one document or as individual fact sheets, aims to answer these questions and help lawmakers make informed policy decisions.

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# Spending on Private School Vouchers Increases Over Time

**Public education funding levels matter. A high-quality and equitable public education system that ensures all Idaho children have the opportunity to thrive requires consistent and robust investments.**

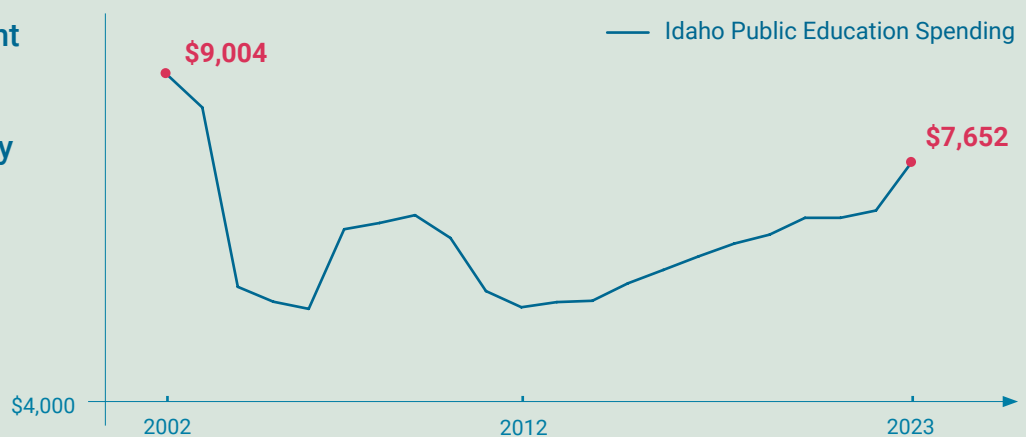
An Education Law Center report showed that increases in education funding lead to improved academic results and positive long-term outcomes, such as higher wages and lower poverty rates.<sup>1</sup> Adequate public education funding is needed to provide Idaho students with the evidence-based and cost-effective services that have been shown to improve student outcomes.<sup>2</sup> Instead of funding private school vouchers, Idaho lawmakers should focus on fully funding the state's public schools.

Idaho's investment in public schools is lower now than it was twenty years ago.<sup>3</sup> The state has not recovered from cuts to the education budget following the Great Recession, yet numerous proposals to divert state resources to private school vouchers have been introduced in the Idaho State Legislature.<sup>4</sup> These efforts have failed so far.

Enacting a voucher program in Idaho is likely to exacerbate public school funding shortfalls – hurting students, school districts, and communities as a result. Idaho should not spend limited taxpayer dollars on a second system of education that is expensive to operate, does not have fiscal transparency or oversight, and lacks the quality standards that apply to public schools.

Research shows states that create new voucher programs tend to funnel much greater amounts of public dollars to these programs over time, instead of investing in public schools, as legislators expand eligibility and create new programs, regardless of the success or popularity of existing programs.

**Idaho's investment in public schools is 15% lower now than it was twenty years ago.**



Source: May Roberts, "Policy Basics: Idaho Public Schools Investment," Idaho Center for Fiscal Policy



A Public Funds Public Schools (PFPS) report examining voucher spending in seven states from fiscal year 2008 through fiscal year 2019 found that each state dramatically increased its expenditure of public funds on voucher programs and also reduced efforts to fund public education.<sup>5</sup> See examples below:



 **Voucher Spending: +270%**  
 **Public School Spending: -5.7%**

### ARIZONA

The PFPS report found voucher spending increased by 270 percent from 2008 to 2019, and per-pupil public education funding decreased by 5.7 percent during that time period.<sup>6</sup> The state’s education savings account voucher program, which now has universal eligibility, is projected to cost over \$940 million per year. While the Legislature appropriated \$624 million for the program in the 2024 budget, an increase of \$150 million over 2023, an updated estimate puts the cost at almost \$320 million higher. More than 50 percent of that is due to applicants who were already enrolled in private school or homeschooled. The updated figures show that 53 percent of all new K-12 education spending in fiscal year 2024 goes toward only 8 percent of Arizona students (those using vouchers).<sup>7</sup>



 **Voucher Spending: +313%**  
 **Public School Spending: -12%**

### FLORIDA

According to the PFPS report, Florida increased spending on voucher programs by 313 percent from fiscal year 2008 to 2019. During the same period, the state decreased spending on public schools by 12 percent.<sup>8</sup> Another report on voucher spending in Florida found that public school funds diverted annually to private education increased by approximately \$1 billion between 2019-20 and 2022-23.<sup>9</sup> The state’s Empowerment Scholarship voucher programs cost \$1.4 billion in the 2022-23 school year alone,<sup>10</sup> and nearly \$1.1 billion in tax credits were offered to fund the state’s tax credit voucher program in fiscal year 2023.<sup>11</sup> Expansion of the Empowerment Scholarship vouchers to allow universal eligibility beginning in 2023-24 could bring the total cost of the program as high as \$4 billion.<sup>12</sup>

2014



**\$11M**  
annually

2027



**\$145M** annually  
(est.)

### NORTH CAROLINA

An analysis found that the North Carolina voucher program launched in 2014, which was initially limited to students with disabilities, has grown significantly since its enactment. The program was originally capped at \$10.8 million per year, but funding more than doubled by 2016-17. Additional funding increases approved in 2016 are expected to bring the total to \$144.8 million per year by 2027-28. The program was further expanded in 2020, which could increase costs by more than \$270 million over the next ten years.<sup>13</sup> And legislation passed in late 2023 instituted universal voucher eligibility, meaning even the wealthiest families will now be able to take advantage of a private education subsidy.

# Private School Vouchers Are Especially Harmful to Rural Communities

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All Idaho students, including the thousands residing in rural areas, deserve well-funded public schools. The state must reject private school voucher programs, which harm local public schools at the heart of rural communities.

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Idaho's public education system is already underfunded. Education Law Center's 2023 Making the Grade report on school finance in the United States ranks Idaho last in overall funding level, with per pupil funding almost \$5,595 below the national average.<sup>1</sup> An Idaho Center for Fiscal Policy analysis found that the state's general fund support for public schools was lower in 2022 than in 2002.<sup>2</sup>

Voucher programs exacerbate this underfunding by diverting limited public dollars to private education and by decreasing enrollment in public schools, leading to reduced funding.

While the negative financial consequences of voucher programs are felt statewide, rural communities are hit especially hard. Rural school districts already face unique strains because they have fewer students and resources and cannot take advantage of the same economies of scale as larger school districts.<sup>3</sup> These factors make it difficult to support fixed costs that do not meaningfully change with reduced student enrollment, such as facilities maintenance and transportation.<sup>4</sup>

When rural schools are left with fewer resources due to voucher programs, and their fixed costs remain the same, the challenge of providing quality instruction and services increases.<sup>5</sup>

This revenue loss also brings the threat of school closures, which pose hardships to students, such as long bus rides to schools outside their communities<sup>6</sup> and negative short-term impacts on academic performance,<sup>7</sup> and to residents who rely heavily on public schools for employment and healthcare and nutrition, as well as a gathering place for civic and social engagement.<sup>8</sup>

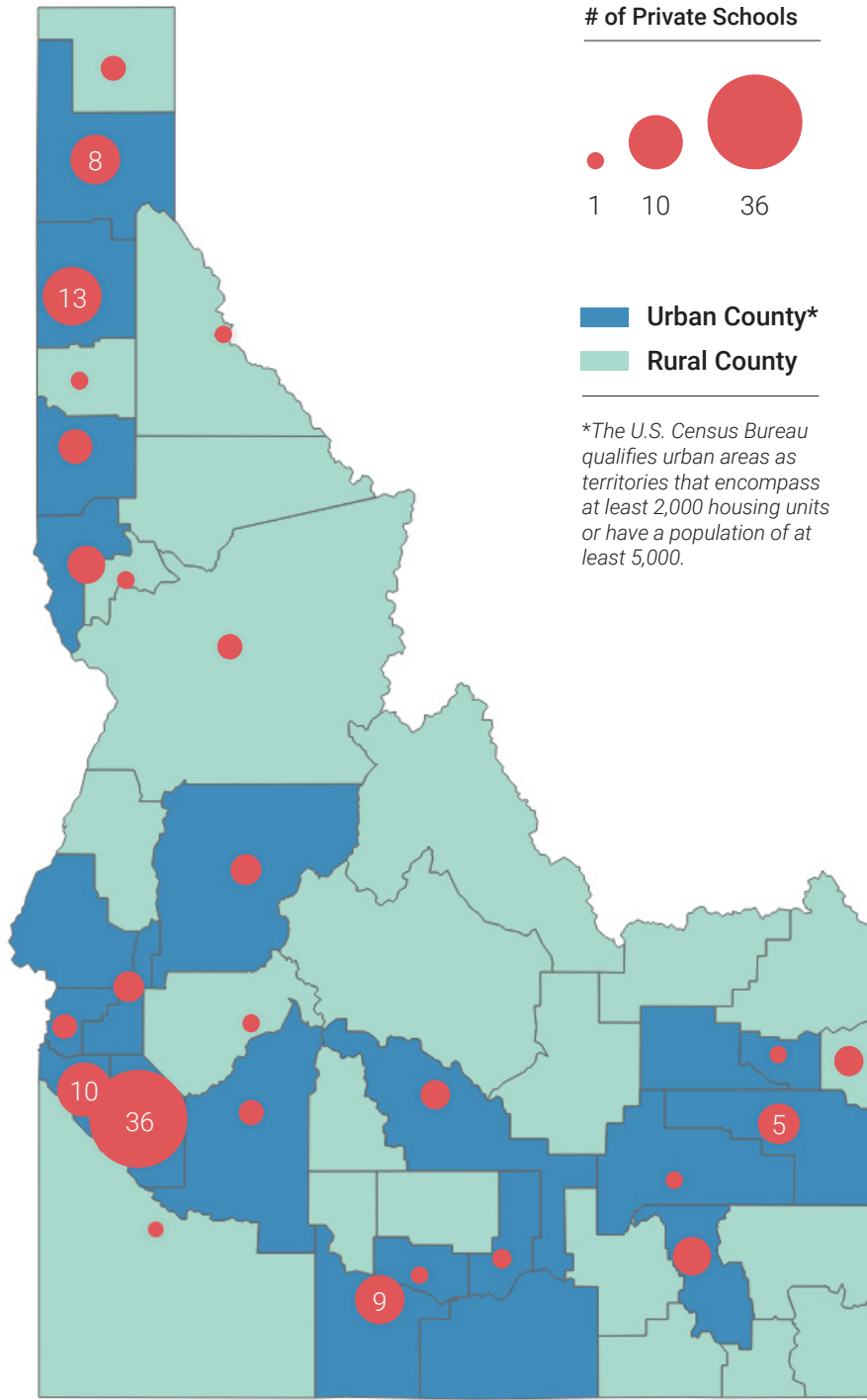
Vouchers do not provide school "choice" for most rural students. In Indiana, for example, rural students largely do not participate in voucher programs due to the inaccessibility of private schools.<sup>9</sup> Similarly, a recent analysis found that few students living in rural communities in Iowa are likely to participate in the state's education savings account voucher program, as 41 of the state's 99 counties do not have a private school, and 23 counties only have one.<sup>10</sup>

The Center found that nearly half of all counties in Idaho (20) do not contain a single private school, and only 22 percent of Idaho's 121 private schools are in rural towns. Furthermore, rural towns in Idaho that do have a private school usually only have one.<sup>11</sup> The majority of the state's private schools are in Ada County, where Idaho's most populous city of Boise is located. See map.

Because private schools are concentrated in urban communities, a voucher program would divert rural tax dollars to subsidize payouts to private schools in Idaho counties that contain urban areas.

# Students in Rural Idaho Lack Access to Private Schools

- 36 Ada
- 0 Adams
- 5 Bannock
- 0 Bear Lake
- 1 Benewah
- 1 Bingham
- 3 Blaine
- 1 Boise
- 8 Bonner
- 6 Bonneville
- 2 Boundary
- 0 Butte
- 0 Camas
- 10 Canyon
- 0 Caribou
- 0 Cassia
- 0 Clark
- 0 Clearwater
- 0 Cluster
- 2 Elmore
- 0 Franklin
- 0 Fremont
- 3 Gem
- 0 Gooding
- 2 Idaho
- 0 Jefferson
- 1 Jerome
- 13 Kootenai
- 4 Latah
- 0 Lemhi
- 1 Lewis
- 0 Lincoln
- 1 Madison
- 1 Minidoka
- 5 Nez Perce
- 0 Oneida
- 1 Owyhee
- 2 Payette
- 0 Power
- 1 Shoshone
- 3 Teton
- 9 Twin Falls
- 3 Valley
- 0 Washington



# Private School Voucher Programs Can Lead to Tax Hikes

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**Idaho should invest in its public schools rather than diverting state revenue to fund a second system of private education that will strain public school budgets and overburden local taxpayers.**

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Idaho has a constitutional duty to fund its public schools, and the state should do so without unnecessarily burdening taxpayers. Idaho's per pupil public school funding ranks last in the nation,<sup>1</sup> and Idaho's state funding for public schools was lower in 2022 than in 2002.<sup>2</sup> Idaho lawmakers should focus on adequately funding public schools instead of paying for a second system of unaccountable private education.

Stretching the state budget to fund private school vouchers can lead to an increase in taxes at the local level.

Idaho school districts are supported by local, state, and federal funds. When a state funds private school vouchers, there is less state funding available for public education; district budgets are cut due to decreased enrollments; and voucher funds can be diverted directly from public school appropriations. Voucher programs with "universal" eligibility are not limited to public school students switching to private school, meaning state funding is diverted to vouchers for students who may already attend private school.

During Idaho's 2023 legislative session, lawmakers proposed a universal education savings account voucher program that would have diverted funding from public schools to pay for private school tuition, homeschooling, and other private education expenses.<sup>3</sup> The Idaho Center for Fiscal Policy estimated that a universal voucher program in Idaho could cost over \$360 million a year.<sup>4</sup>

Over time, state disinvestment in public education could lead school districts to require maintenance and operations levies and facilities bonds to cover crucial fixed costs, such as transportation, facilities upkeep, and administration, that do not decrease with reduced enrollments. The challenge of raising additional revenue to cover these necessary costs is likely to fall on local taxpayers, as property taxes would rise following an increase in local supplemental levies.

Supplemental levies are property taxes that must be approved by voters and reapproved at the voting booth every two years. Because these levies need to be continuously reapproved, they are an unstable source of revenue for school districts, in addition to placing added financial burden on the community. And school districts with lower property wealth often must request a higher tax rate to raise the same amount of funding as their wealthier counterparts, disproportionately burdening lower-income communities.<sup>5</sup>

Establishing a universal voucher program and raising property taxes to cover the additional expense runs counter to Idaho lawmakers' professed goal of providing the state's residents with property tax relief.

The Legislature created the School District Facilities (SDF) Fund as part of the 2023 property tax relief package to assist school districts with paying off their bonds and levies.<sup>6</sup> However, diverting state funding to pay for private school vouchers could result in increased property taxes, thus stunting the SDF's progress towards lowering districts' debt and homeowners' property taxes. Wisconsin's school voucher system is effectively funded with property taxes. The expense of voucher programs led the Wisconsin Department of Public Instruction to report that local school boards must increase property taxes, use their fund balances, or reduce current expenditures to offset the loss of state aid.<sup>7</sup>

Here in Idaho, vouchers have the same potential to siphon hundreds of millions of dollars away from public schools.<sup>8</sup> This will increase the need for levies and bonds to keep teachers, programs such as music and sports, and other essentials in neighborhood schools.






# What Could \$360 Million Buy for Idaho's Public Schools?

Idahoans pride themselves on being fiscally responsible and committed to developing a strong and sustainable economy. Ensuring that state tax dollars are being used to further these goals requires understanding the impact of budget decisions.

A major budget change was proposed during the 2023 legislative session: the creation of a universal private school voucher program that would have diverted significant taxpayer funds to private education. The Idaho Center for Fiscal Policy estimated that the proposal could cost upwards of \$360 million annually.<sup>1</sup>

Despite how often words like million and billion are used in these important policy conversations, research shows it is difficult to conceptualize numbers higher than 1 million.<sup>2</sup> So, what could \$360 million provide for Idaho's public schools? See below.

Idaho lawmakers should reject any attempts to establish a voucher program and instead focus on adequately funding the state's public schools and investing in evidence-based and cost-effective strategies that have been shown to improve student outcomes.<sup>3</sup>

What Could \$360 Million Buy for Idaho's Public Schools?				
				
<b>SPECIAL EDUCATION</b>	<b>TEACHERS</b>	<b>BUSES</b>	<b>REPAIRS</b>	<b>COMPUTERS</b>
Could close the funding gap for special education (\$66M) for over five years. <sup>4</sup>	Could pay the salaries of the 134 teachers needed to fill our shortage for 48 years. <sup>5</sup>	Could replace over half of Idaho's school buses and pay their drivers' salaries. <sup>6</sup>	Could pay for 40% of the costs of repairs needed to bring Idaho's schools up to good condition. <sup>7</sup>	Could pay for all of Idaho's 309,000 students to have access to a computer both in and out of school. <sup>8</sup>



# Endnotes

## Factsheet #1: Spending on School Vouchers Increases Over Time

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<sup>1</sup> Mary McKillip & Theresa Luhm, [Investing Additional Resources in Schools Serving Low-Income Students](#), Education Law Center (Apr. 2020).

<sup>2</sup> Education Law Center, [Money Matters: Evidence Supporting Greater Investment in PK-12 Public Education: Research Talking Points for Advocates](#) (Mar. 2023).

<sup>3</sup> May Roberts, [Policy Basics: Idaho Public Schools Investment](#), Idaho Center for Fiscal Policy (Jan. 13, 2023).

<sup>4</sup> In 2023, these proposals included Senate Bills 1038, 1161 and 1144, as well as House Bill 289.

<sup>5,6,8</sup> Samuel E. Abrams & Steven J. Koutsavlis, [The Fiscal Consequences of Private School Vouchers](#), Public Funds Public Schools, (Mar. 2023).

<sup>7</sup> Office of the Governor, [Governor Katie Hobbs Statement on New School Voucher Cost Projections](#) (July 25, 2023).

<sup>9</sup> Mary McKillip & Norín Dollard, [Florida's Hidden Voucher Expansion: Over \\$1 Billion from Public Schools to Fund Private Schools](#), Education Law Center & Florida Policy Institute (2022).

<sup>10</sup> Florida Dep't of Education, [Florida Education Finance Program 2022-23, Fourth Calculation](#) (Apr. 14, 2023).

<sup>11</sup> Florida Dep't of Revenue, [Florida Tax Credit Scholarship Program Tax Credit Cap Will Increase](#) (2022).

<sup>12</sup> Education Law Center & Florida Policy Institute, [The Cost of Universal Vouchers: Three Factors to Consider in Analyzing Fiscal Impacts of CS/HB1](#).

<sup>13</sup> Kris Nordstrom, [Legislative changes to voucher program will likely drain \\$272 million from NC over next decade](#), North Carolina Justice Center (Dec. 21, 2020).

## Factsheet #2: Private School Vouchers Are Especially Harmful to Rural Communities

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<sup>1</sup> Danielle Farrie & Robert Kim, [Making the Grade: How Fair is School Funding in Your State?](#), Education Law Center (2023).

<sup>2</sup> May Roberts, [Policy Basics: Idaho Public Schools Investment](#), Idaho Center for Fiscal Policy (Jan. 13, 2023).

<sup>3</sup> Jesse Levin, et al., [Do schools in rural and nonrural districts allocate resources differently? An analysis of spending and staffing patterns in the West Region states](#), (Issues & Answers Report, REL 2011–No. 099), Washington, DC: U.S. Department of Education, Institute of Education Sciences, National Center for Education Evaluation and Regional Assistance, Regional Educational Laboratory West (2011).

<sup>4</sup> Public Funds Public Schools, [The Myth of Cost Savings from Private School Vouchers](#).

<sup>5,6</sup> National Coalition for Public Education, [Vouchers Don't Work in Rural Areas](#).

<sup>7</sup> Mara Casey Tieken, [School closures can hit rural communities hard](#), The Conversation (Jan. 9, 2020).

<sup>8</sup> Emily Norman, [Keep Rural Schools Open: Position and Policy](#), Online Journal of Rural Research & Policy, Volume 17 Issue 3 (2022).

<sup>9</sup> Save Our Schools Idaho, [What would tax voucher schemes funnel away from your town's schools?](#)

<sup>10</sup> Ty Rushing, [These 10 Iowa Counties Would Receive the Most in Voucher Money](#), Iowa Starting Line (Jan. 20, 2023).

<sup>11</sup> Idaho Center for Fiscal Policy analysis of Idaho State Department of Education and U.S. Census data.

## Factsheet #3: Private School Voucher Programs Can Lead to Tax Hikes

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<sup>1</sup> Danielle Farrie & Robert Kim, [Making the Grade: How Fair is School Funding in Your State?](#), Education Law Center (2023).

<sup>2</sup> May Roberts, [Policy Basics: Idaho Public Schools Investment](#), Idaho Center for Fiscal Policy (Jan. 13, 2023).

<sup>3</sup> [Idaho S1038](#) (2023).

<sup>4,5</sup> Alejandra Cerna Rios, [Future Costs of Idaho's SB1038's Universal Education Savings Accounts Projected to Rise Sharply](#), Idaho Center for Fiscal Policy (Feb. 20, 2023).

<sup>6</sup> May Roberts, [Understanding 2023 Property Tax Relief](#), Idaho Center for Fiscal Policy (May 5, 2023).

<sup>7</sup> Dan Bush, [Impact of Private School Vouchers and Public Charters on Wisconsin Public Schools](#), Wisconsin Department of Public Instruction, p.13. (Jan. 18, 2018).

<sup>8</sup> Save Our Schools Idaho, [What would tax voucher schemes funnel away from your town's schools?](#)

## Factsheet #4: What Could \$360 Million Buy for Idaho's Public Schools?

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<sup>1</sup> Alejandra Cerna Rios, [Future Costs of Idaho SB1038's Universal Education Savings Accounts Projected to Rise Sharply](#), Idaho Center for Fiscal Policy (Feb. 20, 2023).

<sup>2</sup> David Landry, Noah Silbert., Aleah Goldin, Estimating large numbers. *Cognitive Science* (2013), 37(5), 775-799.

<sup>3</sup> Mary McKillip & Theresa Luhm, [Investing Additional Resources in Schools Serving Low-Income Students](#), Education Law Center (Apr. 2020); Education Law Center, [Money Matters: Evidence Supporting Greater Investment in PK-12 Public Education: Research Talking Points for Advocates](#) (Mar. 2023).

<sup>4</sup> Kevin Richert, ['An absolute budget buster:' Committee takes a sobering look at special education](#), Idaho Ed News (Oct. 30, 2023).

<sup>5</sup> Idaho State Board of Education, [Idaho's Teacher Shortage Problem Persists](#) (2022); Idaho Department of Education, [Statewide Certified Staff Salary Report](#) (Oct. 20, 2023).

<sup>6</sup> Idaho Department of Education, [Statewide Non-Certificated Staff Salary Report](#) (2023); Idaho Department of Education, [Student Transportation](#) (2023).

<sup>7</sup> Idaho Legislature, Office of Performance Evaluations, [K-12 Public School Buildings](#) (Jan. 7, 2022).

<sup>8</sup> Idaho Center for Fiscal Policy email correspondence with Idaho Association of School Business Officials.