

Indiana

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.

Before launching an ESA voucher program in 2022, Indiana operated one conventional voucher program, the Choice Scholarship Program launched in 2011, and a tax credit voucher program, the School Scholarship Tax Credit launched in 2009. Together, these two programs served approximately 46,000 students in 2019. This total represented 4.4 percent of the state’s nearly 1.1 million PK-12 students.

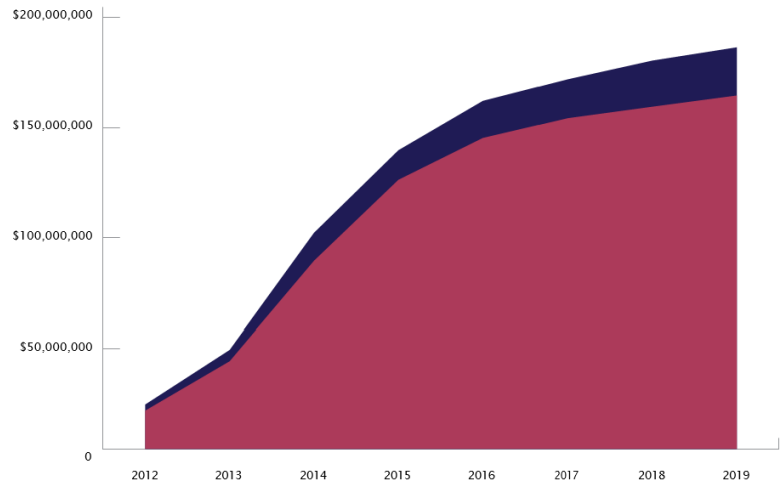


Fig 4 Indiana Voucher Spending 2012-2019

Voucher spending total in 2019 equals \$182 million. See Table 4 in Appendix for details.

- 1 Choice Scholarship Program, 2011
- 1 School Scholarship Tax Credit, 2009

Spending data on Indiana’s voucher programs are not available until 2012. In that year, total spending for the state’s voucher programs amounted to \$20,284,504.* By fiscal year 2019, total spending for these two programs had climbed to \$181,860,463, an astonishing increase of 796 percent and an annual growth rate of 36.7 percent.

Over the same time period as this stunning increase in voucher spending, Indiana decreased its per-pupil funding for public education by 1.5 percent, from \$9,839 in fiscal 2012 to \$9,689 in fiscal 2019. The 49 other states, on average, increased per-pupil spending over this time period by 10.8 percent.

The decline in per-pupil funding for Indiana from 2009, the year the state initiated vouchers, to 2019 cannot be attributed to economic duress. It coincided with a 3.8 percent annual growth rate in GDP for the state, exceeding the 3.6 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, Indiana retreated significantly in its commitment to public education at the same time it substantially increased its funding of private schooling. In fiscal year 2009, the state allocated 3.7 percent of its GDP to PK-12 funding. In fiscal year 2019, Indiana allocated 3.2 percent of its GDP to PK-12 funding.

The state’s rank dropped only one spot, from 31 to 32 among the 50 states, given similar slippage in many other states. Over this time period, however, enrollment in Indiana public elementary and secondary schools climbed 0.7 percent.

* All spending amounts presented here are in 2020 dollars.