

1,000,014 Reasons to vote “No!” to Voucher Expansion – House Bill 1003

The **overarching problem** with voucher expansion is that it sustains the unrelenting attack on public education started in 2011, siphoning at least \$22 million of public money from the 1 million public school students in Indiana to private schools and giving higher subsidies to parents of currently less than 10,000 students to choose private schools. Specifically:

1) It **removes** the requirement that to receive a **tax credit scholarship**, a student must have been enrolled in a public school during the preceding school year. With this change, **any student already in a private school** can receive a tax credit scholarship from the SGO. Under current law, those receiving tax credit scholarships can get vouchers the next year. **In this two year cycle, the requirement disappears that students must ever go to a public school before becoming eligible for a voucher, for those under the \$84,000 income limit.**

2) It is far worse **fiscally** than the original voucher bill passed two years ago. **It ends the rationale that vouchers save the state money** and brings direct new fiscal costs of **at least \$22 million** to taxpayers. Putting this fiscal cost in perspective, \$22 million to pay for vouchers for students who are already in private schools is **more than Indiana spends now on Summer School** (\$18 million) and **seven times more than Indiana spends on technology** (\$3 million).

3) It makes **special education students already in private schools** eligible for a voucher. An estimated 75% of the 4211 such students meet the income limit of \$84,000 for a family of four. **Fiscal cost (at LSA’s estimate of \$4083 for each voucher): \$12.8 million.**

4) It makes **siblings of voucher students already in private schools** eligible for a voucher. **Fiscal cost (projecting a sibling for just 10% of 9135 voucher students X \$4083 per voucher): \$3.7 million**

5) It raises the \$4500 cap on the Grade 1-8 voucher to **\$4600 the first year and to \$4700 the second year. Fiscal cost (according to LSA): \$0.4 million each year.**

6) The above three points, totaling **\$17 million** next year, will come out of the tuition support budget for all schools in the funding formula. There is no separate line item for vouchers.

7) This **\$17 million** would siphon off **one-eighth** of the \$132 million increase budgeted for all schools in the House budget, undermining the claim that education cuts from the Great Recession are being restored. Put another way, **\$17 million – one-eighth –** would not go to the 1.04 million public school students who have still not had funding restored from the Great Recession but instead would pay for vouchers for private school students who are already in private schools.

8) It gives **\$5 million** for additional tax credits for K-12 (Scholarship Granting Organizations) school scholarships, above the current \$5 million. This means a doubling of foregone revenue to the state of Indiana to benefit private schools.

9) On its required August 1, 2012 report, the Scholarship Granting Organization in Fort Wayne reported spending 67% of its contributions on scholarships rather than the legally required 90%. IDOE did not hold the SGO accountable to the law. **Shouldn't accountability to the law be verified in the current program before expanding it?**

10) In its only filed audit dated June 30, 2011, the Scholarship Granting Organization in Evansville reported spending 34% of its contributions on scholarships rather than the legally required 90%. The audit showed that more was spent on salaries than on scholarships. IDOE did not hold the SGO accountable to the law. **Shouldn't accountability to the law be verified in the current program before expanding it?**

11) On March 29, 2013, a Channel 6 investigation reported that a voucher school in Indianapolis, the MTI School of Knowledge, which has received thousands of dollars in voucher money, is being investigated for cheating on ISTEP. The voucher law does not clarify whether vouchers can continue to be given to schools in which cheating on ISTEP is confirmed. **Shouldn't penalties for verified cheating on ISTEP be added to the current program before expanding it?**

12) HB 1003 removes the requirement to try out first grade in a public school before getting a voucher. For the first time, it defines kindergarten as sufficient time in public school to qualify for a voucher.

13) HB 1003 allows a voucher even for kindergarten in attendance areas of 148 schools receiving an F using the flawed and widely disrespected A-F system. **Fiscal cost (from budget officials in Tuesday's testimony): \$0.7 to \$6.0 million. Shouldn't we have a valid A-F system before we pass a law to use it for voucher decisions?** This is a new amendment added by the Senate Education Committee and the additional fiscal cost is not counted in the \$22 million estimate discussed above.

14) For the first time, the amount of the voucher for special education students will include the basic voucher (averaging \$4083) **plus** state special education dollars "that a school corporation would receive under IC 20-43-7 for the student if the student attended the school corporation." The state board is directed to set emergency rules to monitor special education services in private schools. **This raises many questions about state supervision of private schools in providing special education services.**