



## Vote No: Setting the Record Straight on ESA Vouchers and Senate Bill 2

*A plan introduced as Senate Bill 2 by Senator John DiSanto (R-Dauphin) establishes Education Savings Accounts (ESA) vouchers, a program that takes tax money out of your neighborhood public schools to be used for private schools and vendors. ESA proposals have been introduced in various states and have been dubbed by the National Conference of State Legislatures (NCSL) as [“the next generation of school vouchers”](#). PSBA opposes Senate Bill 2. Here are the facts about ESA vouchers.*

### **Education Savings Accounts are vouchers. Make no mistake.**

ESA vouchers are government subsidies established for qualifying students who elect to participate in the program instead of attending public school. ESA voucher programs allocate funds to parents who can use the money to pay for private education or other “qualified expenses.” ESA voucher proposals are being pushed in other states repackaged under different names or with slightly different requirements – however, the general concept is the same. Make no mistake – education savings accounts are the next generation of vouchers.

### **ESA vouchers take money away from public schools to subsidize private schools**

Under Senate Bill 2, parents of students residing in the attendance areas served by a public school ranking in the bottom 15% based on state standardized tests could use ESA vouchers to subsidize the payment of private school tuition and other costs. The money is taken from a school district’s state subsidy funding. Some school districts, especially those with schools in the bottom 15%, are reliant on the state for the majority of their funding. The impact of Senate Bill 2 is estimated to siphon more than \$500 million dollars from school districts, many that are already under-resourced, to benefit private schools.

### **Vouchers are not a proven strategy to enhance educational outcomes**

The research is telling. [Three out of the four most recent studies on voucher programs](#), looking at the nation’s biggest and oldest voucher programs in Washington DC, Indiana, Ohio and Louisiana all show a decline or no improvement in the performance of students using vouchers. A 2017 [report](#) from the Economic Policy Institute finds that extensive research on vouchers over the past 25 years shows that gains in student achievement are at best small, with students showing no significant gains in reading or math. Further, the risks to school systems outweigh insignificant gains in test scores. A [June 2017 US Dept of ED](#) report found that students using a voucher had statistically significant lower performance in math compared to students who did not receive a voucher. There were no achievement impacts for students from low-performing schools while negative impacts in both reading and math were statistically significant for students in grades K-5. The mixed and varied results of studies on the achievement of students in voucher programs makes ESAs a gamble that Pennsylvania cannot afford.

### **Academic, financial accountability measures are weak**

Senate Bill 2 lacks academic accountability for students with ESA vouchers due to shallow, inconsistent, and vague testing and reporting requirements by allowing various assessments to be used. It is difficult, if not impossible, to compare the academic performance and progress of ESA voucher students to those in other schools, both public and private, including other ESA voucher students. It is also difficult, if not impossible, to compare the results of the same students year over year if they do not continue to use the same assessments. Senate Bill 2 also lacks specific financial accountability measures. Language in the bill regarding audits and penalties is very weak. Audits are not mandatory, and Treasury can decide to do one “if it determines necessary.” What is the criteria for that determination, and why are penalties not mandated if the Treasury believes that money may have been misspent?

### **ESA vouchers don't address poverty**

ESA vouchers are unresponsive to the issue of poverty and are unfair to students. Many of the lowest-performing schools are in high poverty school districts that are already struggling financially and cannot afford to receive less funding. The fact is that poverty has a significant impact in student achievement. The average acute poverty rate (% of children living in families with income less than 100% of federal poverty limits) in school districts with more than one low-achieving school was 33.3% - more than double the state average of 16.3%.

There is a strong correlation between higher poverty and lower achievement on state standardized testing. On average, the proficiency rate for students in the highest poverty school districts are 33% less than students in the lowest poverty school districts. These school districts need additional resources, programs and partnerships to overcome the barriers to achievement posed by high poverty yet, the highest poverty school districts receive more than \$2,000 less per student than their lowest poverty counterparts leaving them unable to make the investments necessary to overcome the barriers to achievement posed by poverty. By diverting state subsidies from these school districts, ESA vouchers reduce fair access to educational opportunities for the students choosing to remain in the school district.

### **ESA vouchers do not offer efficiency or savings to taxpayers**

Proponents contend that ESA vouchers will save taxpayers money because they are funded by "state" money, not "local" dollars and because public schools will no longer have to educate the students who take ESA vouchers. This argument makes little sense. Whether considered as state or local money, it is still taxpayer dollars. Further, the simplistic notion that ESA vouchers will save taxpayers and school districts money defies the realities of voucher programs and mandatory public school expenditures. Schools don't budget or spend money on a per student basis. Money leaves the district as the result of vouchers under the Senate Bill 2 calculation, but the fixed costs that were supported by the subsidy dollars will remain (costs such as building operations and maintenance, utilities, technology, food service, staff salaries and benefits, transportation including fuel and bus drivers, etc.). The fixed costs that stay behind in the school yield no savings and in fact, result in a greater financial burden for local taxpayers. With less in state funding to provide the same education, that money would have to be raised from other sources – namely, local property taxes. Senate Bill 2 is something residents and schools cannot afford.

### **Impact of ESA vouchers will expand**

ESA vouchers will expand over time, affecting more students and more public schools. Once a student becomes eligible for an ESA and exercises this option, they remain eligible for their entire academic career, even after the school comes off the list of bottom 15% schools or the family moves outside of the academic area of the school. Rather, the student must only continue living somewhere in the Commonwealth to retain eligibility for the remainder of the school year. Senate Bill 2 does not address how ESA funding is extracted from more than one school district if the student moves from one district to another during the school year, nor does it require either the school district or the parent to report such a move. The financial impacts of Senate Bill 2 could lead to the closing of some schools. This will lead to less neighborhood schooling options, greater transportation time and expense, and an expansion of the list of bottom 15% schools because there will always be a bottom 15%.

### **The bottom line about ESA vouchers**

ESA voucher proponents seek to create a false sense of momentum around these programs. There are more pressing problems within public education that deserve the attention of policymakers. Ignoring our public schools in favor of throwing tax dollars to private schools weakens educational opportunities for the 90% of children who attend public schools and will only serve to chip away at Pennsylvania's public education system. Instead, the state should focus on working on programs and initiatives to improve schools for our current and future students.