



TO: The Honorable Members of the Pennsylvania Senate
FROM: Concerned Education Stakeholders and Advocates
SUBJECT: House Bill 2169 – School Voucher Proposal
DATE: May 23, 2022

On behalf of the undersigned organizations, we respectfully urge all members of the Pennsylvania Senate to **vote “no” on House Bill 2169, which would create a voucher program for students in struggling schools costing taxpayers and the schools that need resources the most approximately \$144 million.** The legislation is just the latest attempt to establish an education voucher program in the commonwealth. Vouchers will siphon precious taxpayer resources away from public schools, and send those resources to private schools, higher education institutions and entities that are not accountable to the public for their decisions or results. House Bill 2169 will lessen educational opportunities for students, while leading to funding cuts and higher local property taxes.

HB 2169 is simply ideology wrapped in bad public policy. Consider the following ten reasons to oppose the legislation:

1. **Susceptible to waste, fraud and abuse.** HB 2169 requires the Treasury Department to develop a system to allow parents to pay for educational services by electronic fund transfer, including debit cards, electronic payment systems or other means of electronic payment. Given the concerns raised in the Legislature for years about welfare fraud, abuse, and the trafficking of SNAP benefit cards, this provision seems especially hypocritical. Voucher programs are susceptible to waste, fraud and abuse as evidenced by experiences in [Arizona](#), [Wisconsin](#), and [Florida](#). Moreover, bill proponents are pushing a third-party administrator (ClassWallet) to operationalize the program. This company has a questionable track record. In Oklahoma, ClassWallet was used to distribute \$8 million for educational supplies to low-income families during the pandemic. On their watch, [parents in Oklahoma used these funds to purchase](#) televisions, air fryers, cookware, deep fryers, gift certificates, home repairs, vacuums, luggage, fitness equipment, video game systems, sofas, mirrors, coffee tables, Christmas trees, recliners, grills, smartwatches, tools and much more. This situation may be [litigated](#) by Oklahoma’s state government.
2. **Broad and vague list of allowable expenses.** The bill would allow K-12 education funding to be diverted for higher education expenses such as tuition, fees and other qualified expenses at colleges and universities. The General Assembly determines the level of state support for K-12 education and higher education separately. There shouldn’t be a loophole to intermingle the two. More importantly, direct aid for students in higher education is determined by income. The proposed voucher program is not income-based. In addition, public education money could be

used for nonpublic school tuition, private tutoring, uniforms, textbooks, curriculum, test fees, hardware and internet services, and other expenses approved by the Department of the Treasury.

3. **No real academic accountability.** The only so-called “academic accountability” in the legislation is the requirement for participating entities that accept the voucher students to administer a parent satisfaction survey. HB 2169 does not require the use of state assessments, or even alternative assessments, and there is no requirement for any student performance data reporting to allow for an objective evaluation of the success of students in the program.
4. **Students with special needs.** Students with disabilities attending a public school are entitled to numerous rights and protections under the Individuals with Disabilities in Education Act (IDEA). However, the IDEA does not apply to non-public schools and the bill expressly prohibits the commonwealth or its agencies from regulating participating entities – including a non-public school. This effectively means the state would be prohibited from requiring a nonpublic school enrolling voucher recipients to comply with IDEA or state regulations even though additional resources would be allocated under the proposed voucher program to provide educational services to students with disabilities based on the cost of currently complying with IDEA.
5. **Financial incentive for identification.** Under the bill, students with “special needs” are entitled to additional resources intended to address those needs. The bill includes a list of criteria which allow a student to be considered special needs. Among those criteria is a reference to the definition of “handicapped person” under section 504 of the Rehabilitation Act. However, this definition is open-ended and does not require an entity bound by section 504 to conduct an evaluation or verify the student’s identification as a student with special needs. This would allow any participating entity, and potentially even parents (through their family doctors), to have a child identified as a special needs student. Thus, providing a loophole with no accountability, which could be exploited to get higher voucher amounts.
6. **Timeline.** The bill proposes to have a voucher program up and running for the coming school year – 2022-2023. To our knowledge, budget considerations for the Department of the Treasury have not included the agency taking on the new responsibilities imposed upon it under the bill. Even if Treasury contracted with ClassWallet, the bill would result in the creation of a new administrative bureaucracy. The creation of a new entitlement program should not be rushed, nor should it rely on emergency procurement procedures.
7. **Expanded transportation requirement.** HB 2169 would require school districts to provide transportation for voucher students to and from participating entities under the same conditions provided to students attending a non-public school under Section 1361 of the Public School Code. Because the definition of “participating entity” in HB 2169 is broader than just non-public schools, the bill would add a completely new requirement for school districts to transport students to tutors, higher education institutions, etc., located within the district or within 10 miles of the district’s boundaries – and a new mandated cost.
8. **Voucher calculation.** HB 2169 calculates the voucher by taking ALL state revenue (minus transportation subsidies) provided to all school districts and divides that amount by average daily membership of all school districts based on the most recent annual financial report published by the PDE. The current calculation would take the state funding that school districts receive for property tax reduction and for pension reimbursement and give that money to voucher students, leaving local taxpayers on the hook. It is truly stunning that after decades of debates on property taxes and pensions, a voucher proposal would seek to further erode local taxpayer relief and ultimately the state’s pension reimbursement to districts by including those payments in the

voucher calculation. Equally important, the bill also demonstrates how proponents are eager to apply the special education funding formula weights to nonpublic schools but remain problematic for application to charter and cyber charter schools - yet another example of extreme hypocrisy.

9. **Student eligibility and residency.** To be eligible for a voucher, a student must reside within the attendance boundary of a low-achieving school. But there is no requirement in the bill for the Treasury Department or participating entities to verify a student's residency. As amended by the House Appropriations Committee, the bill (Section 2003-L(h)) also now stipulates that the voucher agreements can be renewed each school year for the "same" student. That amendment deleted the term "eligible" -- thus demonstrating the clear intention to only require families to demonstrate eligibility one time to be in the program. Students who no longer meet the eligibility criteria should not be allowed to continue to receive a publicly funded voucher.
10. **Impact on charter schools (or lack thereof).** The bill is carefully crafted to limit its impact on charter and cyber charter schools that have been identified in the bottom 15 percent of public schools. A student attending a low-achieving charter or cyber charter school would NOT automatically be eligible to receive a voucher under the bill. That student would have to also live within the attendance boundary of low-achieving district-operated public school in order to be eligible for a voucher. Fifty percent of all charter schools in operation last year (89 of 177) are identified on the list of low-achieving schools and two-thirds of the LEAs on the list of low-achieving schools are charter or cyber charter schools. If bill proponents were truly serious about helping students attending low-achieving schools, charter and cyber charter students in the identified schools would be eligible.

There are far more pressing problems within public education that deserve the attention of policymakers. It is truly disappointing that this legislation, which so obviously seeks to respond to a singular viewpoint on the commonwealth's education system continues to be such a focal point this year. We urge you to focus your time and energy on resolution of the FY 22-23 state budget and other policy issues aimed at supporting all students through accountable public schools.

Sincerely,

Allies for Children
AFT- Pennsylvania

The Arc of Pennsylvania

Children First

Delaware Valley Americans United for the
Separation of Church and State
Disability Rights Pennsylvania

Education Law Center

The Education Policy and Leadership Center
(EPLC)

Education Voters of Pennsylvania

Keystone Research Center (KRC)

League of Women Voters of Pennsylvania

Pennsylvania AFL-CIO

Pennsylvania Association Career and Technical
Administrators (PACTA)

Pennsylvania Association of Intermediate Units
(PAIU)

Pennsylvania Association of Pupil Services
Administrators (PAPSA)

Pennsylvania Association of Rural and Small
Schools (PARSS)

Pennsylvania Association of School
Administrators (PASA)

Pennsylvania Association of School Business
Officials (PASBO)

Pennsylvania Budget and Policy Center (PBPC)

Pennsylvania Council of Churches

Pennsylvania Partnerships for Children (PPC)

Pennsylvania Principals Association

Pennsylvania School Boards Association (PSBA) Public Interest Law Center

Pennsylvania State Education Association
(PSEA)

SEIU 32BJ

Philadelphia Federation of Teachers

Trauma Informed Education Coalition

Pittsburgh Federation of Teachers (PFT 400)

We the People - PA