Association of Metropolitan School Districts

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Position on Taxpayer Subsidies for Nonpublic K-12 Education

AMSD opposes the diversion of public funds to nonpublic schools through the use of vouchers, scholarships, tax deductions or credits for nonpublic school tuition. The State should require that any school receiving public aid or enrolling students from families receiving public educational subsidies be accessible to all students and comply with all state laws and rules that are applicable to public schools.

AMSD BELIEVES

- The state of Minnesota is obligated to focus on funding its public schools adequately rather than subsidizing nonpublic schools, because of its constitutional duty to establish a general and uniform system of public schools.
- Minnesota, through open enrollment, the post-secondary enrollment options program, charter schools, online learning and educational tax credits and deductions, is a national leader in providing school choice options.
- Minnesota provides significant direct subsidies to nonpublic schools to assist with the costs associated with transportation, textbooks, special education, counseling and nursing services. In addition, tax credits and deductions are available to families of private school students.
- Providing additional tax subsidies to nonpublic schools will reduce revenue to public schools and further challenge the state's ability to provide a quality education model.
- State taxpayers have a right to expect that any institution that receives public dollars will be held accountable for how those funds are expended and will follow all applicable state laws and regulations.
- Citizens expect that taxpayer dollars will be used at schools that are accessible to all children, including children with special needs.

BACKGROUND

The United States Supreme Court ruling upholding the Cleveland voucher program moved the debate on providing public aid to private schools to the state level. Vouchers, according to the U.S. Supreme Court, do not violate the U.S. Constitution's prohibition against a government establishment of religion. As a result of that ruling, each state was left to deal with the issue on a state constitutional basis. In addition, it is important that the various public policy implications of a voucher system be considered.

The Minnesota Constitution prohibits the State from directing public money to sectarian schools. Article XIII, Section 2 states, "In no case shall public money or property be appropriated or used for the support of schools wherein the distinctive doctrines, creeds or tenets of any particular Christian or other religious sect are promulgated or taught." That language notwithstanding, the state Supreme Court upheld the constitutionality of directing public funds to students attending private, religious colleges.

Numerous studies, including those by the U.S. Department of Education and the Center on Education Policy have found that there is no measurable difference in performance between students using school vouchers and their peers in public schools.[1] In 2017, research from Louisiana and Indiana showed that "public school students that received vouchers to attend private schools subsequently scored lower on reading and math tests compared to similar students that remained in public schools. The magnitudes of the negative impacts were large." The data showed the

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following: "In Louisiana, a public school student who was average in math (at the 50th percentile) and began attending a private school using a voucher declined to the 34th percentile after one year. If that student was in third, fourth, or fifth grade, the decline was steeper, to the 26th percentile. Reading declined, too: a student at the 50th percentile in reading declined to about the 46th percentile. [2] "A case to use taxpayer funds to send children of low-income parents to private schools is based on an expectation the outcome will be positive. The findings point in the other direction."[2]

Similarly, research does not support tax credits, or neovouchers. Recent research on Florida's neovoucher program found that students receiving neovouchers had a nonsignificant loss in math and nonsignificant gain in standardized test scores.[3] In addition, neovouchers can allow taxpayers to game the tax system, "In the six states that give a full tax credit for voucher donations, those taxpayers can get back the full value of their voucher plus a deduction for the donation."[3] "While neovouchers are unlikely to improve educational outcomes for students moving to private schools, the negative impact on those students remaining in public schools is even clearer … Every dollar of revenue diverted toward private schools is revenue that cannot be invested in the public education system."[4]

State policymakers should focus on adequately funding our public schools rather than subsidizing nonpublic schools. Minnesota's constitution makes it the Legislature's duty to establish a general and uniform system of public schools. By many measures, the State is not meeting that obligation:

- Between 2003 and 2023, the basic formula has lost ground to inflation. The formula would be $1,263 per pupil higher today if it had kept pace with inflation since 2003 – and that is using the Consumer Price Index which understates the inflationary pressures school districts face.
- The Minnesota Department of Education's Special Education FY2021 cross-subsidy report calculated the final statewide cross-subsidy for FY2021 at $591 million, and AMSD districts — which account for more than 60 percent of the total statewide cross-subsidy — saw a combined shortfall of more than $400 million in FY2021. The cross-subsidy statewide is projected to skyrocket to $748.6 million in FY2022. All students are impacted by the state's failure to fully fund essential special education programs and services. MDE projects that the per pupil cross-subsidy will rise to more than $900 by FY2024.

- In FY2020, AMSD school districts spent nearly $135 million on services for English learners but received just $35.7 million in English learner funding. In other words, AMSD districts redirected nearly $100 million in general education revenue to provide services to English learners.

Endnotes

[1] See the following studies: Metcalf (1998), Witte (1996), Greene, Howell & Peterson (1999) Greene, Peterson & Du (1996), US Dept. of Education Evaluations of the DC Opportunity Scholarship Program (2007, 2008, 2009), Center on Education Policy , "Keeping Informed About School Vouchers (2011) and Center for Tax and Budget Accountability, "Analysis of Indiana School Choice Scholarship Program," April 2015. http://www.ctbaonline.org

[2] Dynarski, Mark. (2016). "On Negative Effects of Vouchers." *Brookings Press.* Available at: https://www.brookings.edu/research/on-negative-effects-of-vouchers/

[3] Welner, Kevin G. (2017). "The Conversation: Tax Credits, School Choice and 'Neovouchers': What You Need to Know." *National Education Policy Center*. Available at: http://nepc.colorado.edu/blog/tax-credits

[4] Institute on Taxation and Economic Policy. (2016). "State Tax Subsidies for Private K-12 Education." Available at: https://itep.org/state-tax-subsidies-for-private-k-12-education/

[5] Phi Delta Kappa/Gallup, "Using Public Money to Support Private Schools," Available at: http://pdkpoll.org