



ESA Is Not OK

Lawmakers Must Vote NO on HB 1005, SB 412



The Indiana School Boards Association and the Indiana Association of Public School Superintendents **oppose expansion** of school voucher programs, including the creation of education savings accounts (ESAs). The ESA program in HB 1005 will provide parents who opt out of public schools with a taxpayer-funded debit card loaded with an estimated \$5,000 to \$7,000 to spend however they want on a private school, home school, tutoring, or other private education services. Vouchers and ESAs divert funding from public schools, lack financial transparency, are subject to less regulation and accountability, do not improve achievement, and do not save the state money. We urge lawmakers to invest in strong public schools—the engines of opportunity for the state’s economy and citizenry—and build on the good budget for public education passed in 2019 by continuing to address the teacher pay gap and funding a tuition support increase that keeps pace with, or exceeds, inflation. Public funds should fund public schools, which are open to all children and are a state constitutional duty.

- **VOUCHERS AND ESAs DIVERT NEEDED RESOURCES FROM PUBLIC SCHOOLS:** Indiana spent \$170M on vouchers last year and \$1 billion on vouchers over the past decade. HB 1005 would cost an estimated \$202M over the biennium, consuming most of the \$227M education funding increase proposed by the Governor. Similar legislation in the Senate has a two-year price tag of \$150M. Indiana ranked 22nd in per-pupil spending in 2004 but has since fallen to 39th, contributing to the lowest teacher salary growth in the nation over the past two decades, according to the Governor’s teacher pay commission.
- **VOUCHERS AND ESAs LACK FINANCIAL TRANSPARENCY:** Private schools and home schools are not accountable to taxpayers for the expenditures they make with public funds. Unlike public schools, they are not audited by the State Board of Accounts and do not have to publish an annual financial report.
- **VOUCHERS AND ESAs ARE SUBJECT TO LESS REGULATION AND LESS ACCOUNTABILITY:** Private schools are largely exempt from federal and state mandates, regulations, and reporting requirements. Unlike public schools, they do not receive federal accountability ratings and are not required to employ licensed teachers. All schools that receive public funds should play by the same set of rules.
- **PRIVATE SCHOOL VOUCHERS DO NOT IMPROVE ACHIEVEMENT:** Research co-authored by a University of Notre Dame professor found no evidence that students in Indiana who use a voucher to switch from a public to private school improve academically. The 2018 study examined the first four years of Indiana’s voucher program and found significant losses in math (the equivalent of 85 days of learning) compared to peers who stayed in traditional public schools and no statistically significant impact in English.
- **PRIVATE SCHOOL VOUCHERS DO NOT SAVE THE STATE MONEY:** Proponents claim that vouchers save taxpayer money, but 61% of students who received a voucher in Indiana last year never attended a public school, suggesting that these are in fact new costs to the State of Indiana.
- **VOUCHER EXPANSION BENEFITS THE UPPER CLASS:** Eligibility to receive a voucher would expand from 200% to 300% of the amount to qualify for reduced price meals. The annual income limit for a household of five would grow from \$113,516 to \$170,274—more than twice Indiana’s median family income. These families likely already have the means to afford a private education.
- **PRIVATE SCHOOL VOUCHERS DO NOT OFFER FAMILIES REAL CHOICE:** Vouchers give choice to private schools. Unlike public schools, private and religious schools often discriminate in who they educate and are not required to accept all students. Public funds should only be used for education that is open and inclusive to all Hoosiers.
- **PUBLIC SCHOOLS ARE THE TRUE SCHOOLS OF CHOICE:** In Fall 2020, 35,150 students received a voucher to attend a private school. By comparison, more than 70,000 students chose to enroll in a neighboring public school district using the state’s family-friendly public-to-public transfer laws.
- **PARENTS ALREADY HAVE AN ARRAY OF STATE-FUNDED OPTIONS:** The State of Indiana already supports multiple alternatives to traditional public schools, including Choice Scholarships, SGO tax credits, a tax deduction for private school or home school education expenses, charter schools, innovation schools, and virtual schools.