

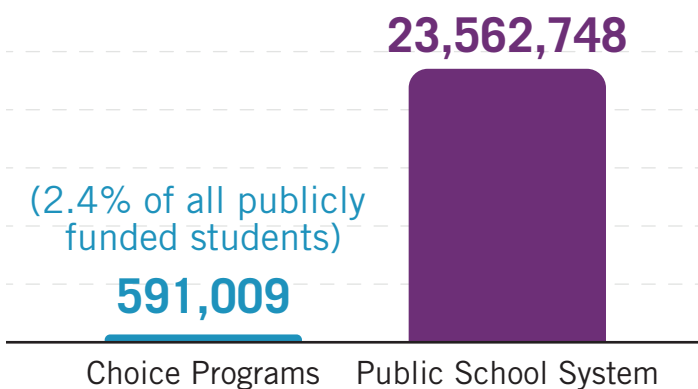
Effects of Private Education Choice Programs

EdChoice conducted a fiscal analysis of 48 education choice programs in 26. The programs studied include education savings account (ESA), voucher, and tax-credit scholarship programs.

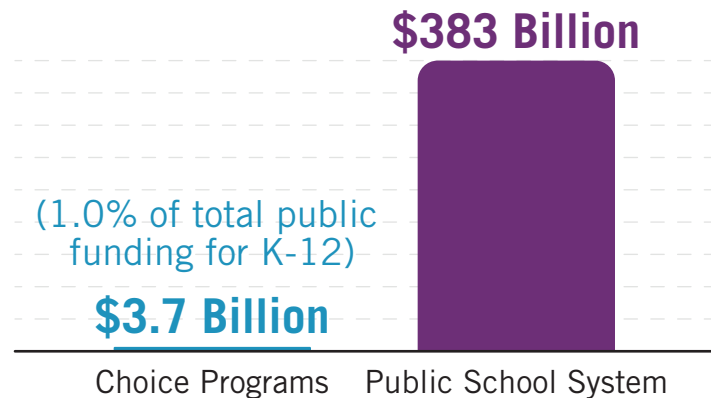
Nationwide results

- Through FY 2022, education choice programs generated an estimated **\$19.4 billion to \$45.6 billion** in cumulative net fiscal savings for state and local taxpayers combined, or up to \$7,800 per student participant.
 - Given that all 48 programs included in the analysis were in operation for at least 5 years through FY 2022, the overall cumulative fiscal impact is likely closer to \$45.6 billion (\$7,800 per student participant).
- Education choice programs generated between \$1.70 to \$2.64 in estimated fiscal savings, on average, for each dollar spent on the programs.
- In FY 2022, the average per-student public cost to support education choice programs was about \$6,000 compared to \$17,000 for public K–12 in states where choice programs operate. Thus, students using education choice programs only received around one-third of the average per-pupil funding amount that their peers received in nearby public school systems in FY 2022.

Number of Students, FY 2022

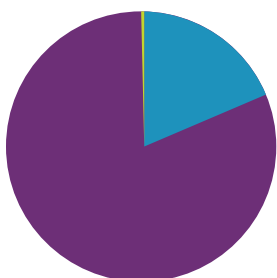


Total Cost, FY 2022



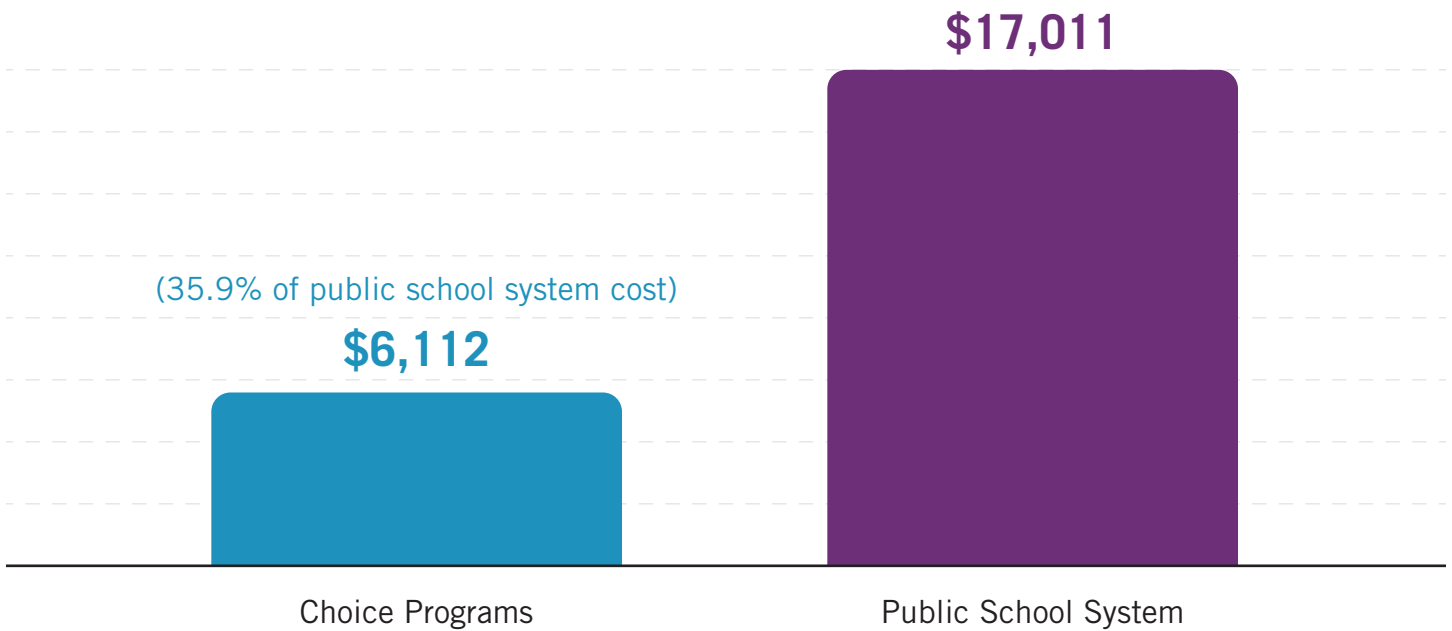
What size of state budgets does education choice use?

Total state expenditures for private education choice programs, K-12 public schools, and total state expenditures on all other public services



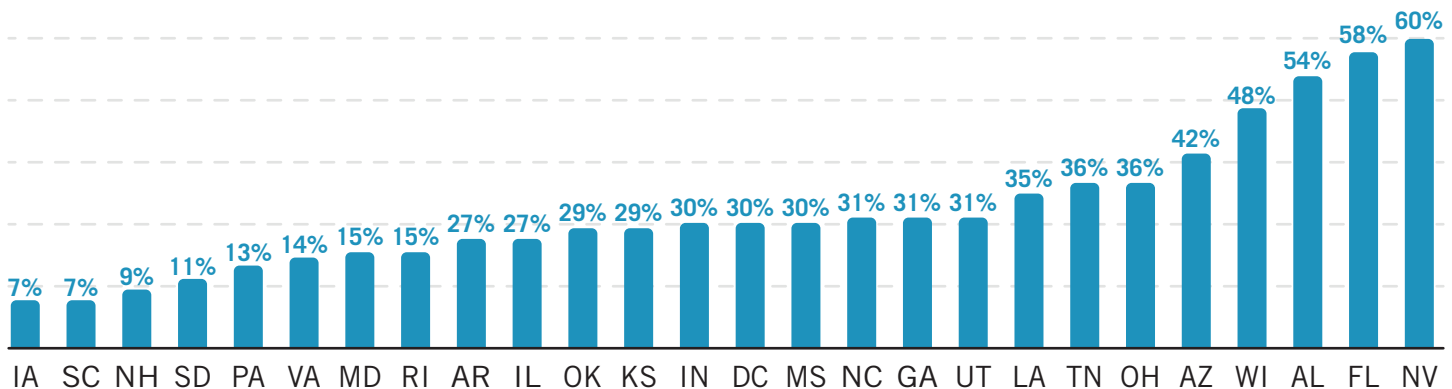
- 81.6%** All Other State Expenditures, **\$1.02 Trillion**
- 18.1%** State Expenditures on K-12 Public School Systems, **\$226 Billion**
- 0.3%** State Expenditures on K-12 Private School Choice Programs, **\$3.7 Billion**

Cost per Student, FY 2022



- In FY 2022, the average per-student public cost to support education choice programs was about \$6,000 compared to \$17,000 for public K–12 in states where choice programs operate. Thus, students using education choice programs only received around one-third of the average per-pupil funding amount that their peers received in nearby public school systems in FY 2022.

Average per-student funding for education choice programs as a percentage of average per-student funding for public schools in FY 2022, by state



- For 18 of the 26 states in the analysis, students in choice programs received less than one-third of revenue they would generate for their states' public schools.
- For 23 of the 26 in the analysis, students in choice programs received less than half the per-student funding they would generate for public schools.

Total Cost and Participation of Currently Operating Private School Choice Programs as Shares of Total Public School Revenue and Enrollment, FY 2022 By State (\$ in Millions)

State	Participation			Cost		
	Students in choice programs	Students in K-12 public schools	Choice Student Share (% of Students in Public Schools and Choice Programs)	Total public funding for choice programs (\$ in Millions)	Total public funding for K-12 public schools, all sources (\$ in Millions)	Choice Cost Share (% of Total Costs for Public Schools and Choice Programs)
Alabama	2,611	748,274	0.3%	\$20.2 M	\$10,792.2 M	0.2%
Arizona	86,713	1,116,643	7.2%	\$450.4 M	\$14,672.3 M	3.0%
Arkansas	623	489,565	0.1%	\$3.9 M	\$6,651.8 M	0.06%
District of Columbia	1,835	88,908	2.0%	\$18.5 M	\$2,930.0 M	0.6%
Florida	137,949	2,833,186	4.6%	\$1,331.7 M	\$39,273.6 M	3.3%
Georgia	25,304	1,740,875	1.4%	\$127.9 M	\$28,379.6 M	0.4%
Illinois	9,029	1,863,585	0.5%	\$56.5 M	\$43,096.7 M	0.1%
Indiana	58,632	1,036,625	5.4%	\$256.3 M	\$15,704.9 M	1.6%
Iowa	12,673	510,661	2.4%	\$15.0 M	\$8,323.6 M	0.2%
Kansas	1,113	485,424	0.2%	\$5.1 M	\$7,772.7 M	0.07%
Louisiana	8,421	683,216	1.2%	\$48.8 M	\$11,578.8 M	0.4%
Maryland	3,268	442,000	0.7%	\$10.2 M	\$5,798.2 M	0.2%
Mississippi	563	442,000	0.1%	\$3.6 M	\$5,798.2 M	0.1%
Nevada	1,497	486,524	0.3%	\$11.4 M	\$6,734.7 M	0.2%
New Hampshire	1,443	165,071	0.9%	\$3.0 M	\$3,646.2 M	0.1%
North Carolina	23,270	1,525,223	1.5%	\$96.9 M	\$19,783.6 M	0.5%
Ohio	77,946	1,683,612	4.4%	\$547.5 M	\$29,997.3 M	1.8%
Oklahoma	3,913	698,696	0.6%	\$16.4 M	\$8,913.9 M	0.2%
Pennsylvania	77,671	1,695,092	4.4%	\$225.6 M	\$38,213.8 M	0.6%
Rhode Island	470	138,566	0.3%	\$1.5 M	\$3,077.6 M	0.05%
South Carolina	1,365	780,878	0.2%	\$2.5 M	\$13,474.8 M	0.02%
South Dakota	1,288	141,307	0.9%	\$2.0 M	\$2,011.6 M	0.1%
Tennessee	292	996,709	0.03%	\$2.2 M	\$13,314.5 M	0.02%
Utah	1,139	690,934	0.2%	\$6.5 M	\$8,016.3 M	0.1%
Virginia	4,843	1,249,815	0.4%	\$11.4 M	\$21,015.8 M	0.05%
Wisconsin	47,137	829,359	5.4%	\$407.2 M	\$14,062.0 M	2.8%
All Programs	591,009	23,562,748	2.4%	\$3,682.2 M	\$383,034.6 M	1.0%

- In every state with choice programs, the percentage of publicly funded students in choice programs is greater than the percentage of K-12 public funding for supporting choice.
- This disparity between participation and funding indicates significant fiscal benefits for taxpayers when students switch from public schools to private education settings.

Summary of Cumulative Savings (Or Cost) for 48 Private Educational Choice Programs through FY 2022, By Years in Operation

Years in Operation	Number of Programs	Number of Students	Short Run Cumulative Savings from Inception through FY 2022	Short Run Cumulative Savings Per Student from Inception through FY 2022	Long Run Cumulative Savings from Inception through FY 2022	Long Run Cumulative Savings Per Student from Inception through FY 2022
3-5 years	2	33,186	\$174,960,767	\$5,272	\$384,357,614	\$11,582
6-9 years	15	396,899	\$1,498,982,180	\$3,777	\$3,157,871,834	\$7,956
10+ years	31	5,431,622	\$17,752,555,054	\$3,268	\$42,065,549,959	\$7,745

Summary of Cumulative Savings (Or Cost) for 48 Private Educational Choice Programs through FY 2022, By Program Type

Program Type	Number of Programs	Number of Students	Short Run Cumulative Savings from Inception through FY 2022	Short Run Cumulative Savings Per Student from Inception through FY 2022	Long Run Cumulative Savings from Inception through FY 2022	Long Run Cumulative Savings Per Student from Inception through FY 2022
ESA	5	153,643	\$512,538,536	\$3,336	\$1,040,204,461	\$6,770
Voucher	22	2,240,554	\$8,824,007,330	\$3,938	\$19,633,544,250	\$8,763
Tax-Credit Scholarship	21	3,467,510	\$10,089,952,135	\$2,910	\$24,934,030,698	\$7,191

All program types (ESAs, vouchers, tax-credit scholarships) have generated significant fiscal benefits for states. How fiscal effects accumulate is a matter of program design.

Summary of Cumulative Savings (Or Cost) for 48 Private Educational Choice Programs through FY 2022 By State

State	Number of Programs	Total scholarship distributions since program's inception	Lower Bound (Short Run) Fiscal Effects			Upper Bound (Long Run) Fiscal Effects		
			Short Run Cumulative Savings from Inception through FY 2022	Short Run Cumulative Savings Per Student from Inception through FY 2022	Short Run Savings For Each Dollar Spent	Long Run Cumulative Savings from Inception through FY 2022	Long Run Cumulative Savings Per Student from Inception through FY 2022	Long Run Savings For Each Dollar Spent
Alabama	1	32,354	(\$2,021,832)	(\$62)	\$0.99	\$113,534,270	\$3,509	\$1.65
Arizona	5	916,799	\$1,589,679,944	\$1,734	\$1.51	\$4,619,846,016	\$5,039	\$2.48
Arkansas	1	1,989	\$21,197,306	\$10,657	\$2.74	\$30,117,027	\$15,142	\$3.48
District of Columbia	1	26,237	\$74,331,143	\$2,833	\$1.33	\$395,092,450	\$15,059	\$2.76
Florida	3	1,672,460	\$3,692,346,147	\$2,208	\$1.34	\$8,826,598,995	\$5,278	\$1.82
Georgia	2	229,724	\$1,107,475,677	\$4,821	\$2.00	\$1,998,679,524	\$8,700	\$2.81
Illinois	1	31,284	\$156,233,475	\$4,994	\$1.81	\$361,655,178	\$11,560	\$2.87
Indiana	2	418,688	\$1,078,977,845	\$2,577	\$1.71	\$3,109,771,030	\$7,427	\$3.06
Iowa	1	171,538	\$984,576,494	\$5,740	\$6.89	\$1,791,178,338	\$10,442	\$11.71
Kansas	1	3,326	\$7,421,447	\$2,231	\$1.35	\$27,444,050	\$8,251	\$2.29
Louisiana	3	86,939	\$183,723,153	\$2,113	\$1.39	\$593,156,021	\$6,823	\$2.26
Maryland	1	17,097	\$27,721,237	\$1,621	\$1.69	\$63,892,282	\$3,737	\$2.59
Mississippi	2	4,332	\$31,159,291	\$7,193	\$2.22	\$48,167,932	\$11,119	\$2.88
Nevada	1	10,086	(\$18,804,461)	(\$1,864)	\$0.76	\$21,730,202	\$2,154	\$1.28
New Hampshire	1	5,174	\$48,416,334	\$9,358	\$4.61	\$77,074,009	\$14,896	\$6.74
North Carolina	3	89,178	\$379,577,522	\$4,256	\$2.01	\$692,111,973	\$7,761	\$2.83
Ohio	5	628,070	\$2,864,532,122	\$4,561	\$1.89	\$6,594,899,295	\$10,500	\$2.96
Oklahoma	2	22,933	\$96,884,898	\$4,225	\$2.21	\$181,060,049	\$7,895	\$3.26
Pennsylvania	2	894,295	\$6,023,544,464	\$6,736	\$4.56	\$11,887,658,771	\$13,293	\$8.03
Rhode Island	1	6,916	\$52,634,122	\$7,610	\$3.69	\$83,683,965	\$12,100	\$5.28
South Carolina	1	14,009	\$134,212,446	\$9,580	\$3.32	\$208,461,564	\$14,881	\$4.61
South Dakota	1	4,223	\$23,820,347	\$5,641	\$4.60	\$46,329,482	\$10,971	\$8.00
Tennessee	1	1,027	\$9,508,028	\$9,258	\$2.30	\$13,145,223	\$12,800	\$2.80
Utah	1	12,835	\$58,986,436	\$4,596	\$1.90	\$94,721,815	\$7,380	\$2.45
Virginia	1	30,523	\$213,597,971	\$6,998	\$4.26	\$355,248,862	\$11,639	\$6.42
Wisconsin	4	529,671	\$586,766,446	\$1,108	\$1.16	\$3,372,521,086	\$6,367	\$1.90
All Programs	48	5,861,708	\$19,426,498,001	\$3,314	\$1.70	\$45,607,779,408	\$7,781	\$2.64

Comparing state's cost for private education choice programs with state total expenditures for all public services

State / Jurisdiction	Total Cost of All Choice Programs within State	State Total Spending on Public Services	Choice cost as % of state's total expenditures
Alabama	\$20.2 Million	\$37.9 Billion	0.1%
Arizona	\$450.4 Million	\$80.5 Billion	0.6%
Arkansas	\$3.9 Million	\$32.0 Billion	0.01%
Florida	\$1.3 Billion	\$103.2 Billion	1.3%
Georgia	\$127.9 Million	\$67.5 Billion	0.2%
Illinois	\$56.5 Million	\$122.6 Billion	0.05%
Indiana	\$256.3 Million	\$48.2 Billion	0.5%
Iowa	\$15.0 Million	\$28.5 Billion	0.1%
Kansas	\$5.1 Million	\$22.5 Billion	0.02%
Louisiana	\$48.8 Million	\$39.7 Billion	0.1%
Maryland	\$10.2 Million	\$62.8 Billion	0.02%
Mississippi	\$3.6 Million	\$23.1 Billion	0.02%
Nevada	\$11.4 Million	\$20.1 Billion	0.1%
New Hampshire	\$3.0 Million	\$7.8 Billion	0.04%
North Carolina	\$96.9 Million	\$59.0 Billion	0.2%
Ohio	\$547.5 Million	\$90.0 Billion	0.6%
Oklahoma	\$16.4 Million	\$27.1 Billion	0.1%
Pennsylvania	\$225.6 Million	\$121.3 Billion	0.2%
Rhode Island	\$1.5 Million	\$13.2 Billion	0.01%
South Carolina	\$2.5 Million	\$32.3 Billion	0.01%
South Dakota	\$2.0 Million	\$7.1 Billion	0.03%
Tennessee	\$2.2 Million	\$43.4 Billion	0.01%
Utah	\$6.5 Million	\$20.9 Billion	0.03%
Virginia	\$11.4 Million	\$74.9 Billion	0.02%
Wisconsin	\$407.2 Million	\$62.9 Billion	0.6%
Total	\$3.7 Billion	\$1.25 Trillion	0.3%

National Association of State Budget Officers (2023). 2023 State Expenditure Report: Fiscal Years 2021-2023. https://higherlogicdownload.s3.amazonaws.com/NASBO/9d2d2db1-c943-4f1b-b750-0fca152d64c2/UploadedImages/SER%20Archive/2023_State_Expenditure_Report-S.pdf

Note: Table excludes the District of Columbia Opportunity Choice Scholarship Program

Universal choice programs

Switchers

Opponents claim that around 70 to 90 percent of ESAs awarded in universal and similar ESA programs are given to “students already enrolled in private schools.”

Switchers are students in a choice program who would have enrolled in public schools if they didn’t have access to financial assistance from the choice program. In other words, if no choice program existed, these students would be in public schools, supported by taxpayers. Switchers generate fiscal benefits for taxpayers when they leave public schools. Non-switchers are students who would have enrolled in a nonpublic school setting, like a private school or home school, even without financial assistance from the choice program.

The higher the switcher rate in a choice program, the greater the savings. Conversely, the lower the switcher rate in a choice program, the higher the cost.

The data used by opponents to make claims about low switcher rates are incomplete, misleading, and lack important context.

To help inform the switcher question, we obtained participation data on ESA programs in Iowa and New Hampshire to try and estimate the true switcher rate.

- Opponents claim an 89% non-switcher rate during the first year of New Hampshire’s ESA program, implying a switcher rate of just 11%. With a closer look at more complete data and program experience, the true switcher rate is likely much higher, by 34 percentage points, for an actual switcher rate of 45% instead of 11%
- Contrary to what has been reported recently in media reports and a 66% non-switcher rate touted by choice opponents for Iowa’s ESA program, the actual non-switcher rate for the program is likely significantly lower (around 30%) when considering more complete data and program experience. Thus, the actual switcher rate may be around 70%.

Data sources for this handout: National Center for Education Statistics, U.S. Department of Education; various state government agencies; National Association of State Budget Officers; EdChoice