

A stylized map of the Southern United States, including Louisiana, Mississippi, Alabama, Georgia, Florida, South Carolina, North Carolina, and Tennessee, rendered in a brownish-gold color against a dark blue background with wavy lines.

School Dollars Diverted in 2023

A Scan of Private School Voucher
Legislation in the U.S. South

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Successful Defeats of New Vouchers and Voucher Expansion



Georgia

Advocates were able to defeat Senate Bill 233 that would have allowed \$6,500-vouchers to go to any Georgian students who have been residents for at least a year. Notably, the bill did not come with a fiscal analysis, so the accurate cost of the legislation was up for debate. The bill was defeated on the last day and in the last hours of the General Assembly session.

Additionally, an expansion of Georgia's Tax Credit Scholarship program was introduced via House Bill 54. It would have raised the cap on the program from \$120 million to \$200 million. But the bill did not pass the Georgia House and was not enacted even after being amended to a separate piece of legislation in the Georgia Senate.



Mississippi

Leaders in the Mississippi legislature introduced HB 1000 that would have allowed foster children to participate in the state's existing education savings account program. The bill was substituted with a different provision that did not advance in the 2023 session.



Texas

Leaders in the Texas Senate introduced and passed legislation out of that chamber that would have created an \$8,000 voucher. The fiscal analysis for this bill indicates that it would cost \$4.6 million in the first year, increasing substantially to over \$1 billion in its fifth year. Due to a hold-harmless provision for the initial years of the voucher, the final estimate was that the bill represents a negative impact of \$531 million through August 2025 (LBB, 2023a). This bill was voted out of the Senate but did not receive a vote in the Texas House of Representatives.

Another school voucher bill was introduced in the Texas House that would have created a \$10,300 per student education savings account and featured tiered eligibility based on income levels. Notably, all students would eventually be eligible but would not receive the full amount of the voucher. The fiscal analysis on this bill placed its cost at \$1.1 trillion through 2025 (LBB, 2023b). When both of these bills did not receive favorable passage, Texas Senate leaders amended a different multi-billion-dollar school funding bill to include vouchers during the last days of the legislative session. This bill could not be agreed upon by leaders in the conference committee and was ultimately defeated. This meant the bills to increase school funding overall and for specific initiatives also were defeated.

The Texas Governor called multiple special sessions in the fall of 2023 with the goal of getting passage of a voucher program. But the Texas House blocked voucher bills.



Virginia

Legislators introduced four voucher bills in 2023. These bills had various eligibility requirements with one, SB 823, restricting eligibility to students with family income less than 300% of federal poverty guidelines. HB 1508 would have limited the voucher to students who had been enrolled in public school for at least one semester, while HB 1371 and HB 1396 would have been open to all students regardless of income or public school enrollment.

All four bills ultimately failed to make it through the Virginia General Assembly this year.

No New Vouchers with Current Voucher Program Expansion



Alabama

Legislators proposed a new voucher in SB 202 that would have given parents up to \$6,900 per child through education savings accounts. Likely in response to a fiscal note estimating the cost of the voucher to be \$288 million in 2025 and \$576 million in 2026, the program was amended to have a cap at \$50 million (Friedenreich, 2023a). Nevertheless, this bill did not move out of the Alabama Senate.

However, Alabama did expand an existing voucher program that operates for students in the state's lowest-performing schools. SB 263 created expanded eligibility based on income (from 185% of the federal poverty guideline up to 200%) and based off the rating of the schools created for students (from the bottom 6% of schools to any schools rated "D" or "F"). The amount of money that can be spent also increased with the voucher moving from \$6,000 to \$10,000 per student, and the cap was increased from \$30 million to \$60 million (Friedenreich, 2023b). This bill passed and was signed into law.



Louisiana

Two pieces of legislation that would have expanded vouchers did not receive final passage. Legislators introduced HB 98 that would have created an education savings account for any student enrolled in public schools during the previous school year. The bill passed the House but did not receive final passage in the Senate.

Similarly, HB 9 would have allowed for an education savings account for students with disabilities. It passed the House but did not receive final passage in the Senate.

However, Louisiana did increase the amount that can be deducted for private school tuition from \$5,000 to \$6,000.



States that Expanded Their Voucher Programs



Florida

Legislators approved an expansion of their school voucher program this year with HB 1. Before this, Florida's voucher program included requirements that students be at a lower income level, in foster care or related to a student receiving the scholarship. [CG1] [TW2] The maximum award in 2021-22 was \$7,408 per student. HB1 removes nearly all eligibility requirements and sets the award amount equal to public student per-pupil funds, which are approximately \$8,648 for the upcoming school year.

As a result, this bill represents a significant expansion in the amount of public funds going to private schools in the state. In fact, fiscal analysis by the Florida House staff analysis reported that the legislation would cost \$209 million in its first year (2023). However, both the Florida Policy Institute and the Education Law Center found that the cost will be closer to \$4 billion (Dollard & McKillip, 2023). These organizations agree that the number supplied by the legislature is much too low as it does not account for the fiscal impact of state aid being rerouted from public school to vouchers and the impact of current private school and home school families using state money to cover expenses they were already paying (FPI, 2023).



North Carolina

Two companion bills, SB 406 and HB 823, were filed in both the General Assembly House and Senate to expand vouchers by removing income limits. The North Carolina Office of State Budget and Management estimated that declining enrollment resulting from these expanded voucher programs would cause state funding for school districts to drop by 2%, which is \$204 million, annually with a total cost of \$277.5 million per year (2023). HB 823 received a favorable vote in the House but did not pass out of the Senate. SB 406 did not make it out of the North Carolina Senate.

However, legislators were able to expand North Carolina's voucher program via the state budget. The budget eliminated the previous income requirements and the requirement that a student had to be previously enrolled in a public school. The North Carolina voucher program will become one of the nation's largest as the budget for its program increased from \$176.5 million to \$520.5 million by 2032-2033. North Carolina joins Florida as the only other Southern state that has a voucher program without any income limits or eligibility requirements.



Tennessee

Prior to this General Assembly session, the state's voucher program only allowed students to use vouchers if they attended a Shelby County district school (metropolitan Memphis), a Metro Nashville public school, or a school that was in the Achievement School District (Bergfeld, 2019). This year, legislators expanded the voucher to also include Hamilton County (metropolitan Chattanooga) and debated adding additional counties in a House version, which did not receive final passage.

State that Created New Voucher Program



South Carolina

General Assembly legislators approved SB 39, a school voucher bill giving \$6,000 to each qualifying student for educational expenses. The voucher would in its first year be open to 5,000 students whose household income does not exceed 200% of the federal poverty guideline level (\$60,000 for a family of four), increasing to 10,000 students at 300% of the federal poverty guideline level in Year 2 (\$90,000) and to 15,000 students at 400% of the federal poverty guideline (\$120,000) in Year 3 and all subsequent years.

The South Carolina Revenue and Fiscal Affairs Office estimated the cost of the program to be \$30 million in the first year, \$60 million in the second year and \$90 million after that (Rainwater, 2023). Notably, this voucher is likely subject to legal challenge as South Carolina's Constitution contains a provision that states that "no money shall be paid from public funds nor shall the credit of the State or any of its political subdivisions be used for the direct benefit of any religious or other private educational institution" (South Carolina Constitution, Article XI).

State with New Voucher Programs plus Expansion of Existing Voucher Program



Arkansas

Policymakers both created a new voucher program and expanded the scope of the state's existing tax-credit scholarship. They passed an expansive education bill in SB 294/Act 237 that will phase in an "education freedom account" to pay for private and home-schooling costs equal to 90% of the state's per-student funding for public schools. In the 2023-24 school year, that amount will be about \$6,660 per child. The total program costs were estimated using 7,000 students in Year 1 at a cost of \$46.75 million and 14,000 students in Year 2 at a cost of \$97.5 million (Ark Dept. of Education, 2023).

Notably, the eligibility requirements to receive an education savings account are staggered by school year such that there is no requirement that students have attended public school. But for the first year of implementation, the student must either have a disability, be homeless, be a foster child or be a child of active-duty military personnel.

In the following year, the pool of students will expand to include students in zones of D -or F-rated schools and students of military or first responders. In Year 3, the eligibility will expand to all students who are eligible to attend public school in Arkansas with no enrollment cap.

Additionally, the General Assembly passed SB 458 that expands eligibility for its existing voucher program from children with a parent or guardian in the "military" to those with one in the "uniformed services," which adds public health officers, National Oceanic and Atmospheric Commissioned Officers, as well as uniformed service veterans.



Resources



School Voucher Schemes Continue to Grow in the South

Article by Terrence Wilson, J.D., IDRA Newsletter, August 2023

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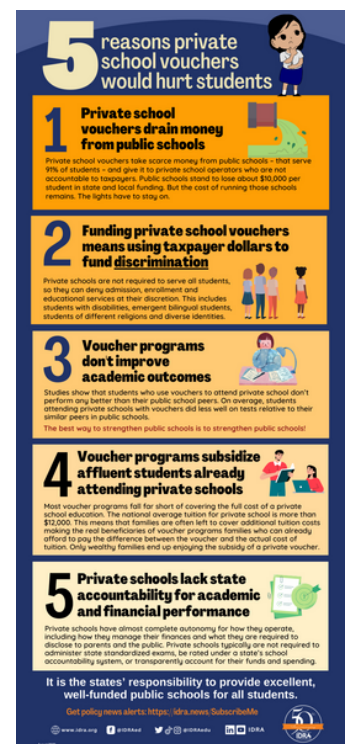
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5 Reasons Private School Vouchers Would Hurt Students

Get IDRA's infographic in English and Spanish

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