

## Overview



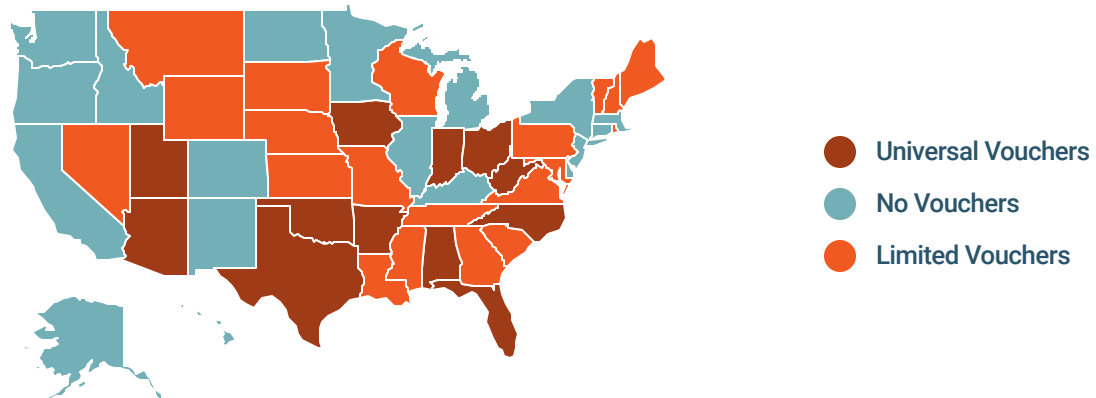
School vouchers are government-funded certificates that allow parents/guardians to use public dollars to pay for the cost of a private school. School choice programs can come in the form of vouchers, savings accounts, scholarships or tax credits. **However, they all allow the use of public funds to pay for non-public schools.**

School voucher programs come in different shapes and sizes. Some cover the cost of private schools for all students, while some have eligibility requirements (such as income level). Some programs allow funds to be used on tuition at any school environment (tutoring or homeschool curricula), while others place guardrails around where funds can be spent (such as requiring students using vouchers to take state assessments).

### What states have voucher programs?

Michigan does not have a school voucher program. Currently, 31 states, plus Washington D.C., have some form of a voucher program in place. Despite the spread of such programs, vouchers are not popular with voters. In both Democratic- and Republican-led states, voters have rejected voucher ballot measures with exceedingly high margins. **In fact, a statewide voucher bill has never won when put to voters.**<sup>1,2</sup>

### K-12 VOUCHER STATUS AS OF MAY 2025



### What about Michigan?

Even without a statewide voucher program, Michigan has school options available for K-12 students. If a family does not want to send a child to the school district in which they reside, they may pursue a variety of options including: **private and parochial schools, virtual schools, homeschooling, charter schools and schools of choice.**

School districts may choose to participate in **Schools of Choice** programs and set limits on how many out-of-district students they enroll.<sup>3</sup> These programs allow students from an outside school district to enroll in a district of their choosing.

In 1970, Michiganders voted to adopt **the Blaine Amendment, which prohibits non-public K-12 schools from receiving public funds.** Because of the Blaine Amendment, traditional voucher programs are not permitted in the state of Michigan and would require a constitutional change. However, **federal voucher programs in the form of tax credits would supersede state law.**

### ACROSS THE STATE

**25%** of students attend a charter school or a school that is out of their home district.<sup>3</sup>

**135,000** students were enrolled in a private school in 2021, accounting for approximately 8.5% of K-12 students.<sup>4</sup>

Note: Michigan collects limited data for private school students and no data for homeschool students.



Despite being unpopular with voters, school voucher programs have been spreading across the country. Evidence from other states gives us a clear picture as to the winners and losers from these programs.

## WINNERS

### The Wealthy.

Although universal voucher programs allow any family to use the voucher at any school, the reality is that the vast majority of families who use their voucher at private schools were already enrolled in those private schools.<sup>5</sup> Families who were already paying tuition receive taxpayer money to subsidize the educational choice they were already making and paying for.

### Private Schools.

These institutions often see a tuition windfall. Data from voucher states details the rise in tuition after voucher programs are adopted. On top of private schools receiving public dollars, these schools increase their tuition. In Iowa, the universal voucher program is linked to a 21-25% tuition increase.<sup>6</sup>

## LOSERS

### State Budgets.

School vouchers are very expensive. Taking an existing pot of money and extending it to more students has caused state budget challenges. As voucher states expand their programs to more students, their budget constraints grow.<sup>5</sup>

### Taxpayers.

Giving state dollars to individuals with the purpose of educating students in a non-public school setting requires transparency and accountability. States that have expanded voucher programs to include homeschool students have found that some dollars are being spent on materials that may not be appropriate for taxpayer-funded expenditures.<sup>8</sup>

### Public Schools.

Each public school's funding is driven by student enrollment. Small changes to enrollment impact a school's revenue while not changing the fixed costs associated with operating a school. Michigan public schools are already underfunded;<sup>9</sup> taking the money we currently allocate for schools and spreading it out further will harm our already underfunded schools.



## Choice for Some, Not for All

### Who is left out when it comes to voucher programs?

#### Rural Students

Most rural communities do not have options when it comes to schooling. Rural communities rely on their public school as the sole source of education for their children. School vouchers harm rural schools by reducing their funding without providing a choice, meaning that their vouchers predominantly subsidize choice in suburban and urban areas.<sup>10</sup>

#### Special Education Students

Private schools are not bound by all of the same federal and state laws that public schools are in terms of providing accommodations for students requiring special education services. Often, private schools outsource to public schools to provide these services to students, if they provide services at all. Therefore, special education students may not receive the same type and scope of access to a quality education at a private school.

## WEIGHTED FUNDING AND CATEGORICAL GRANTS

The base foundation allowance is a starting point for providing schools the money needed to educate students. However, we know that some students require more funding to educate. For example, students with disabilities require more services, such as paraprofessionals; and students in rural districts often have to travel further to school, resulting in higher bussing costs. Students who fall under certain categories like these receive additional funding that is a percentage (or a weight) of the base foundation.

### Fiscal Year 2024 Funding Weights

#### English-Language Learners

Students who are not proficient in English receive an additional 2-15% of the foundation depending on the students' level of English language proficiency.

#### Special Education Students

Students receiving special education services receive 100% of the foundation, reimbursement of 28.6% of special education costs and reimbursement of 70.4% of special education transportation costs.\*

#### Economically Disadvantaged Students

Schools in areas with high concentrations of poverty receive 11.53-15.33% of the foundation per student. Schools with higher concentrations of poverty receive a larger funding weight.

#### Small, Isolated and Rural School Districts

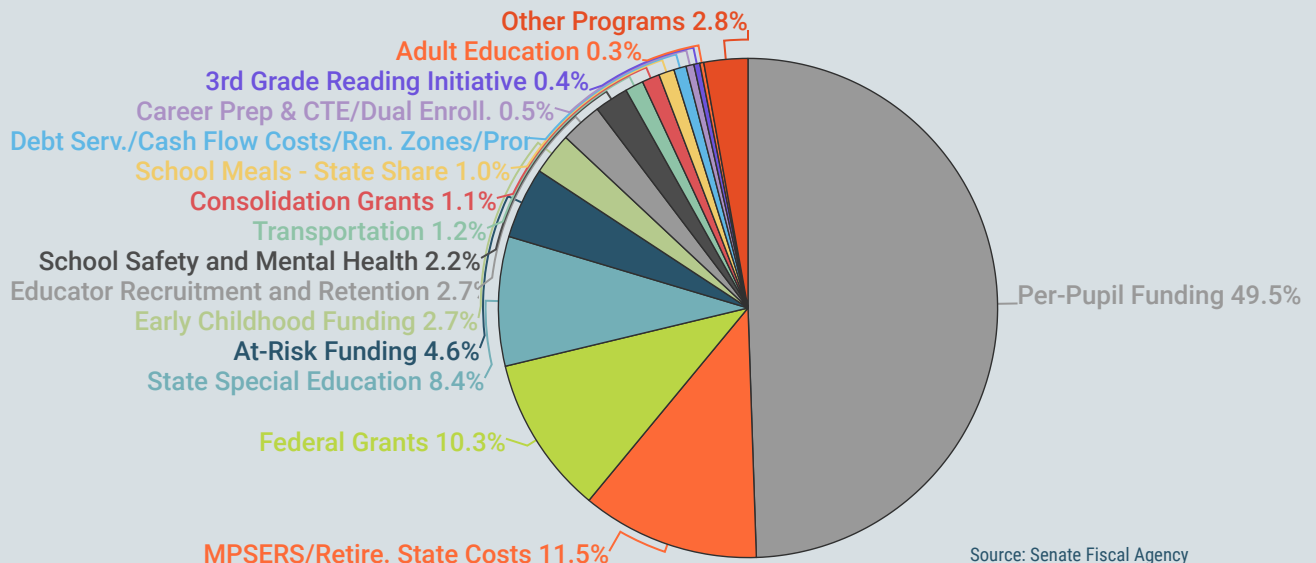
A total of \$11.6 million (about \$58 per pupil) is allocated for districts who meet the qualifications under section 22d of the School Aid Act as being small, isolated and/or rural.

\*This does not include any special education funding that students may receive from an ISD millage.

## SCHOOL AID FUND ALLOCATIONS

In addition to the foundation, the education budget allocates money for other school-based services and costs. Funding for literacy programs, transportation, teacher recruitment and retention, school safety and mental health, early childhood and adult education, and more are included in these appropriations.

### Initial Gross Appropriations by Program Area, Fiscal Year 2022-2023



Source: Senate Fiscal Agency

