



IS THE VOUCHER PROGRAM TOO EXPENSIVE?

Actually, it would be less expensive for taxpayers to educate projected voucher students in private schools than in the public school system.

FACT: THE OFFICE OF THE STATE LEGISLATIVE FISCAL ANALYST FOUND THAT THE NEW SCHOOL VOUCHER PROGRAM WOULD BE \$1.073 BILLION LESS EXPENSIVE THAN THE PUBLIC SCHOOL SYSTEM

The cost of the new school voucher program matters only in relation to the cost of educating that same child in the public school system. During the 2007 legislative session, even before HB 148 was enacted by the Legislature, the Office of the State Legislative Fiscal Analyst (Fiscal Analyst) sent a memo to a state senator reporting that HB 148 would result in estimated long-term costs of \$429 million. Unsurprisingly, this figure has been a hot topic in the voucher debate.

The memo, which projects school voucher program costs over a thirteen year period, necessarily contains several

subjective assumptions. Being subjective, these assumptions are often challenged. In the end, analysts live and die by their assumptions – in this case, if these assumptions apply to costs, they must apply to the savings.

The Fiscal Analyst determined that over a period of thirteen years the program would cost taxpayers \$429 million. Adjusting for inflation, however, the Fiscal Analyst estimated the total cost of the program would be \$327 million – a difference of over \$100 million.

The Fiscal Analyst also calculated program savings over this same period. The Fiscal Analyst looked into how much it would cost taxpayers to educate those same students if all of them attended public schools. Answer: \$1.8 billion (\$1.4 billion adjusted for inflation). The pertinent question thus becomes clear: What is the cost difference between educating these projected voucher students in private schools versus educating all of them in public schools?

The Fiscal Analyst reported to the State Legislature that the difference would be \$1.073 billion (a 76% savings to taxpayers). In other words, it would be much less expensive to taxpayers to educate these students with the new school voucher program.

