



ARE EDUCATION SUBSIDIES - LIKE VOUCHERS - UNUSUAL?

Education subsidies are not new: Utah's public school families are regularly subsidized.

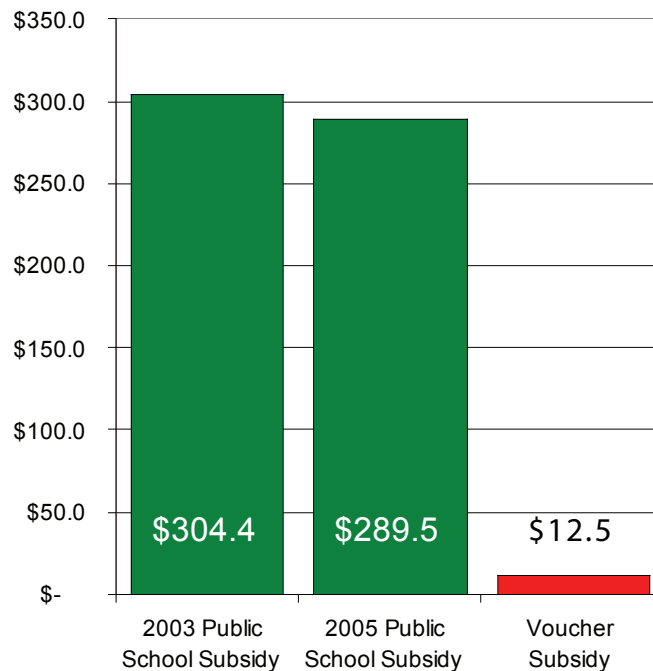
FACT: THE AVERAGE VOUCHER SUBSIDY WOULD BE \$1,926; THE AVERAGE PUBLIC SCHOOL SUBSIDY IS \$2,157

Utahns believe in education – so much so that we provide a subsidy to all families that need it. Income taxes collected from families with children in Utah's public schools do not cover the full cost of educating them. Households with no school-age children, private school children, home school children, and wealthy public school families that pay more in income taxes than their children cost to educate provide a subsidy for the rest.

Based on tax-return data from the Utah Tax Commission, the Sutherland Institute estimates that a \$304.4 million income tax subsidy was provided to households with two or more children in public schools in 2003. In 2005, the subsidy fell to \$289.5 million. Based on Sutherland's estimates, in 2005 the average married-family household with two children in the public school system received an income-tax subsidy of \$2,157.

Interestingly, according to the Office of the Legislative Fiscal Analyst, the average voucher subsidy, \$1,926, would be less than the public school subsidy.

Educational Subsidies



Subsidizing education with tax dollars is not new to Utah. Early in Utah's education history, the Mormon pioneers used tax dollars to pay for schools in which religion was taught as core curriculum during the week, and church services were held on Sunday – early-day private schools (called “common schools”) built with tax dollars. Today, Utahns are familiar with college Pell Grants for their children, based on this same principle (in 2006, \$160 million in no-strings subsidies for colleges of their choice). The new school voucher law extends this principle to a limited number of low-income, K-12 public school students struggling to succeed.