FROM THE MISSISSIPPI MIRACLE TO THE MISSISSIPPI MISTAKE

MISSISSIPPI CENTER FOR JUSTICE

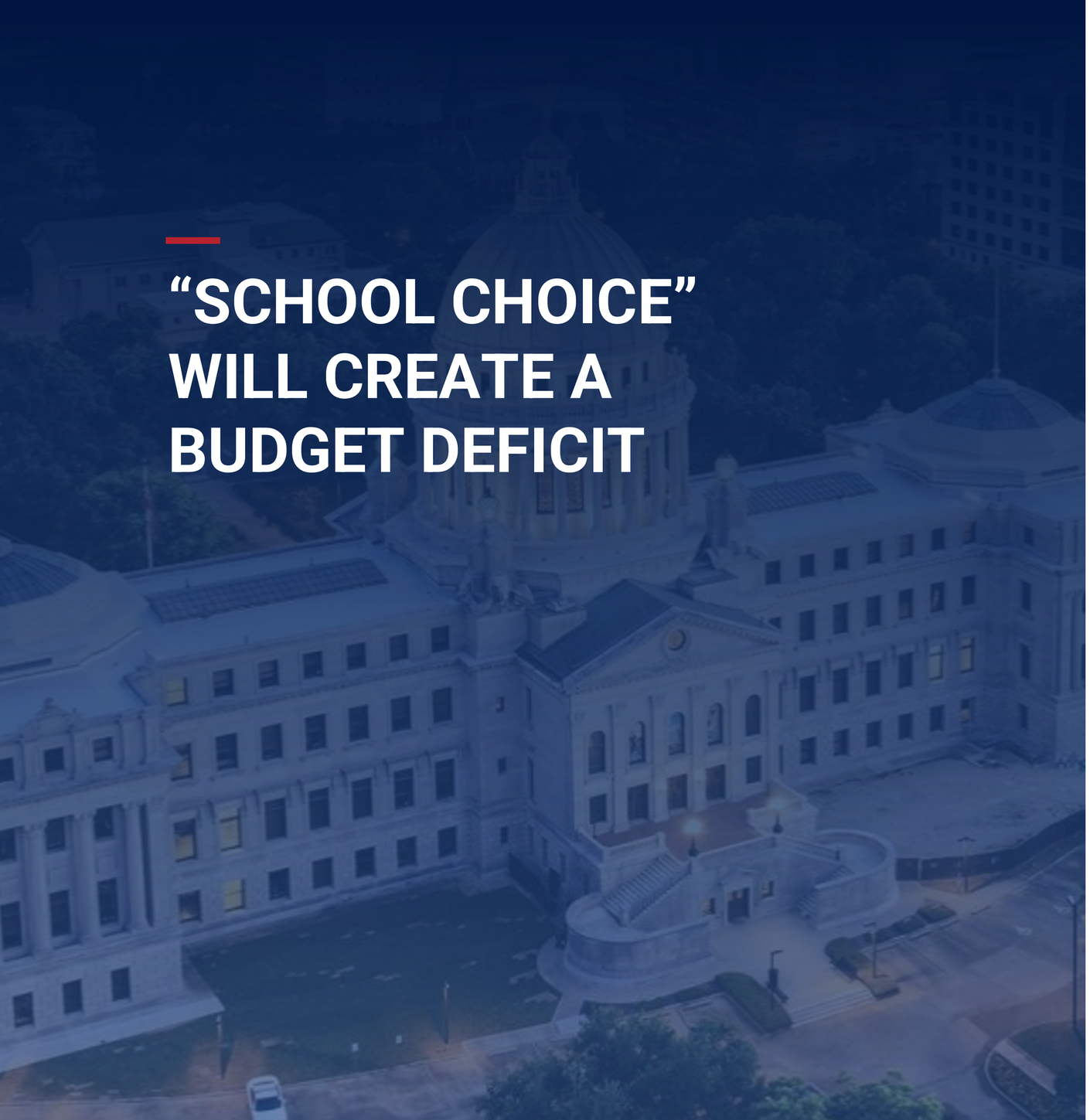
GOAL

The Mississippi Center for Justice is a nonprofit, public interest law firm dedicated to advocating on behalf of Mississippi's most vulnerable citizens, including low-income individuals and communities of color.

Our goal in presenting today is two fold:

1) To make sure that Mississippi doesn't make the **Mississippi Mistake** and create a large budget deficit by implementing a universal "school choice" program

2) To make sure we can sustain the **Mississippi Miracle** by investing in all of our students



“SCHOOL CHOICE” WILL CREATE A BUDGET DEFICIT

MISSISSIPPI CENTER FOR JUSTICE

School vouchers create a **NEW COST** to the State and taxpayers, as the state must pay for students who it is not already paying for, which are those who have never enrolled or attended public schools.

In Mississippi, there are currently, about 55,000 children in Mississippi that are enrolled in private school. There are an additional 22,000 children that are homeschooled.

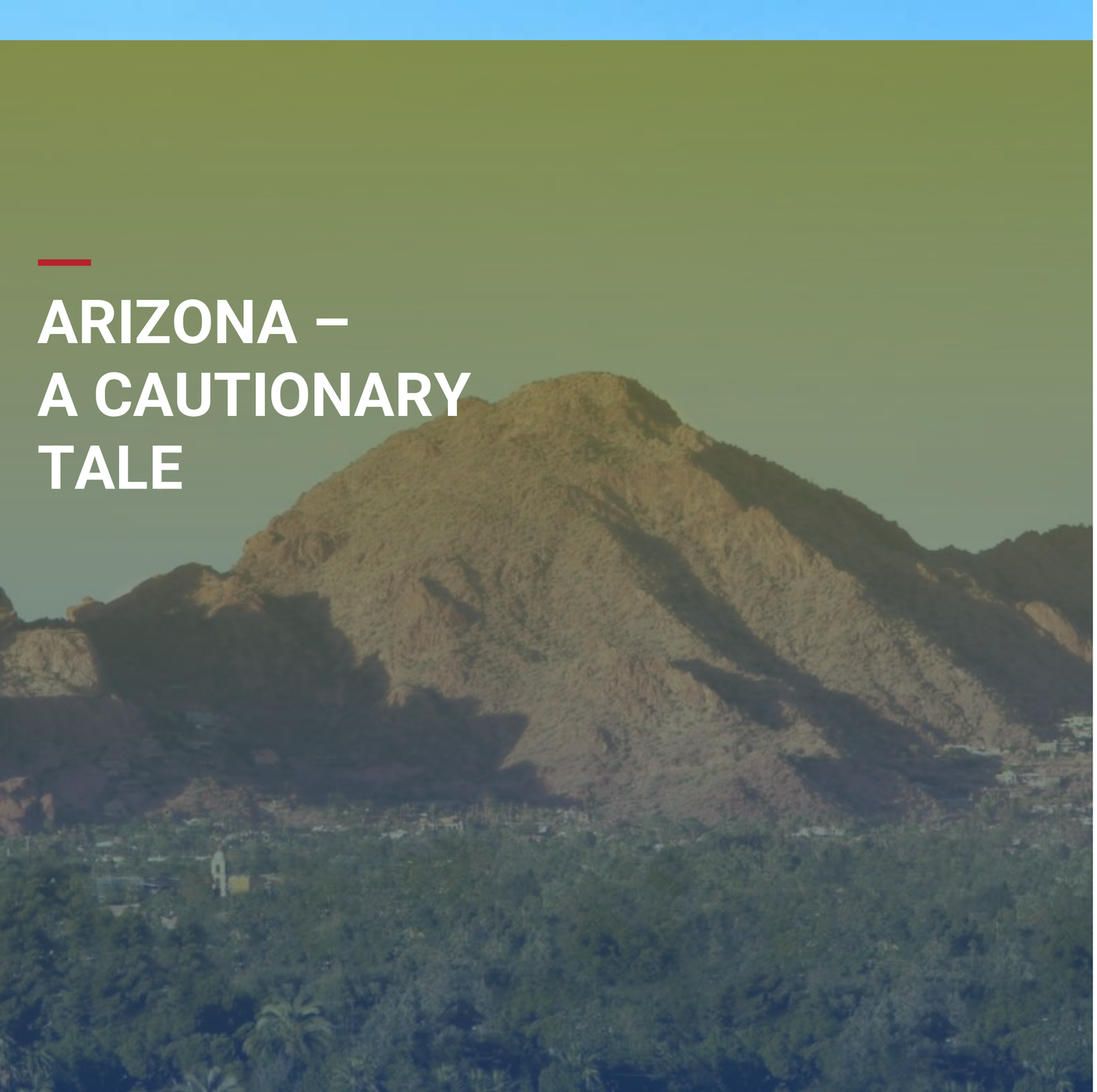
Passing Universal School Choice would mean that the State could potentially be paying for an **additional 77,000 students every year.**

“SCHOOL CHOICE” WILL MEAN DECREASED STATE FUNDS

This new cost to the education budget, will mean decreased funds in the state’s general fund. This will not only mean less money for public schools, but less money for:

- public safety
- roads and transportation
- healthcare
- other public services.

In states that expanded existing voucher programs, the increase in cost to state budgets was enormous.



ARIZONA – A CAUTIONARY TALE

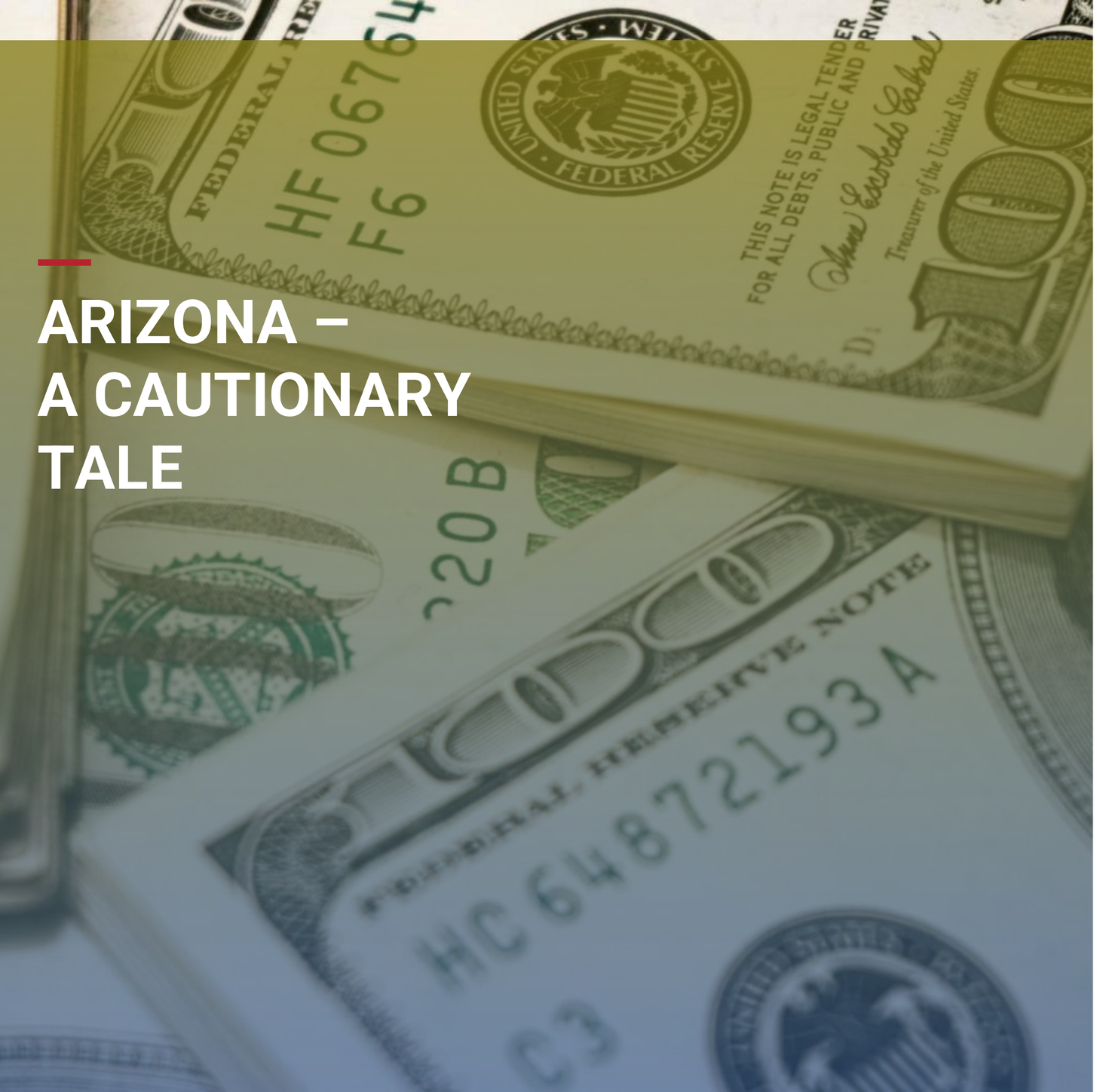
In 2022, Arizona became the first state to implement universal school vouchers through the Empowerment Scholarship Account (ESA).

- The program provides on average $7,500 of taxpayer funds towards educational expenses.

Arizona grossly underestimated the cost of the ESA program.

In June 2022, Arizona's budget committee estimated the program would increase spending by $164.5 million in FY 2024.

By July 2023, the committee was estimating spending for universal ESA vouchers would instead be $376 million, an increase of $211.5 million.



ARIZONA – A CAUTIONARY TALE

The flaws in the Arizona ESA Program:

- ❑ **No limits** to the number of ESAs provided by the program
- ❑ **No requirements** that students previously attended public schools
- ❑ **No income cap** to ensure the vouchers were going to families in need

This meant that more than half of the state's 75,000 voucher recipients were **not** previously enrolled in public school and voucher costs skyrocketed.

ARIZONA – NO LIMITS ON VOUCHERS

The added cost of universal ESA vouchers has resulted in a ballooning state budget:

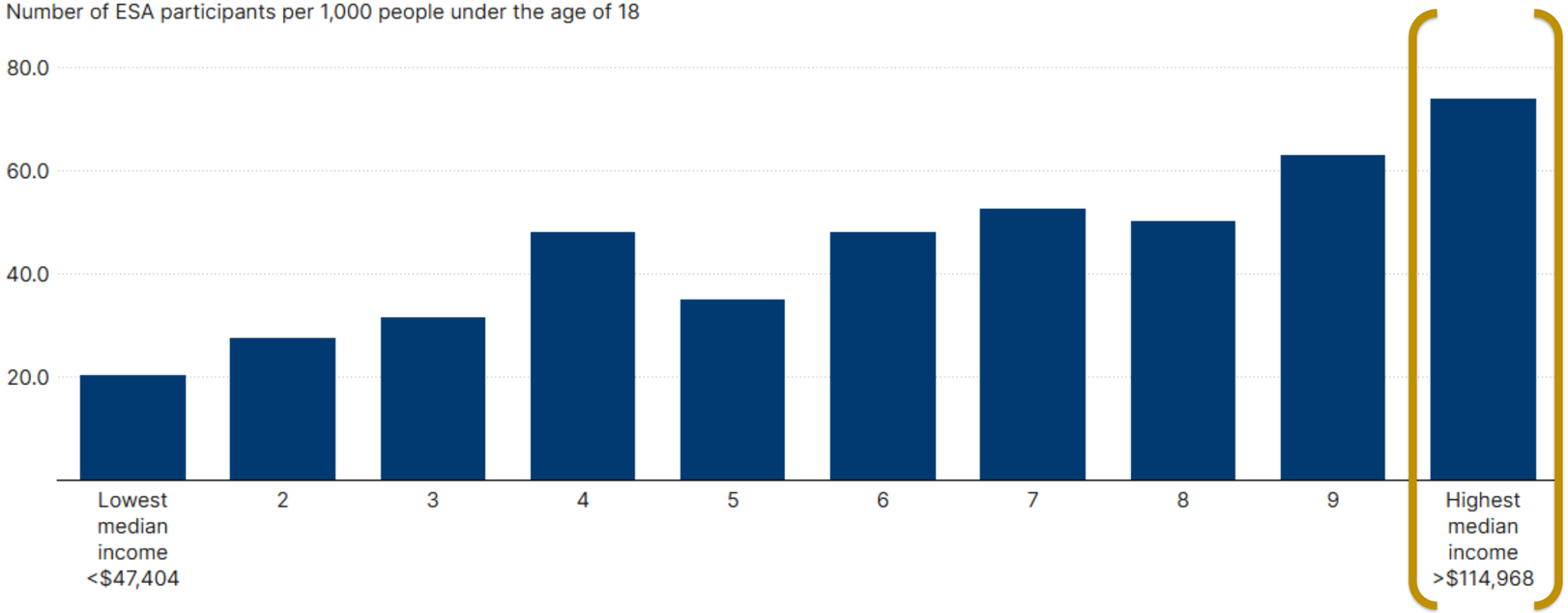
- In FY2024, Arizona spent **$717.6 million** on its ESA program.
- In FY2025, spending increased by $154.5 million for a total of **$872.2 million**.
- In FY2026 spending will increase further, as Arizona is appropriating over **$1 billion dollars** towards the ESA program.

ARIZONA – NO INCOME LIMITS

No income limits, mean that **wealthy families have the most participants in Arizona's ESA program**. Tax dollars are paying for families who do not need education subsidies, exploding the state's budget, and not contributing to "school choice."

Figure 2. Highest-income areas have highest participation rates in Arizona's ESA program

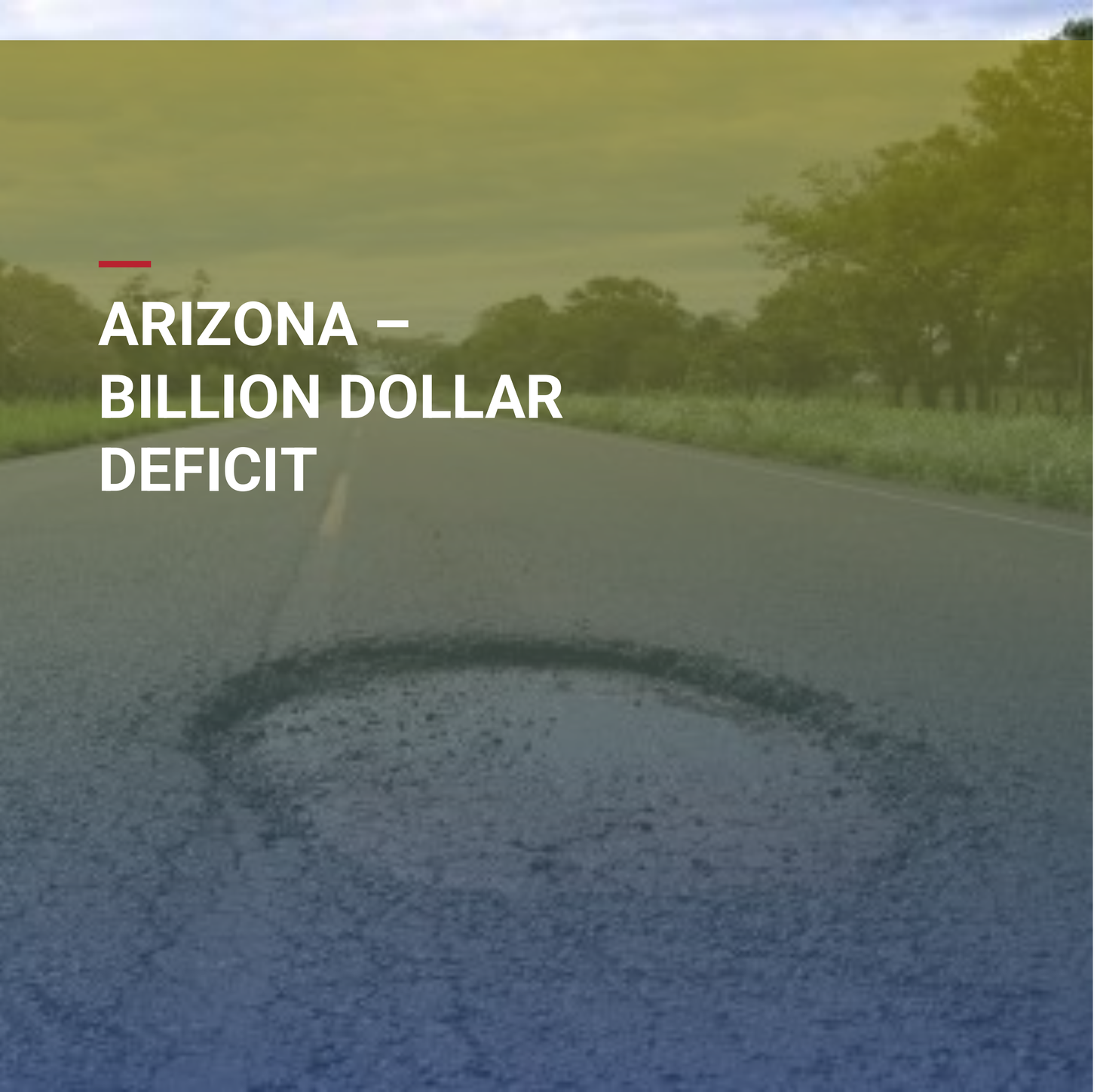
Number of ESA participants per 1,000 people under the age of 18



Source: Authors' calculations using Arizona Department of Education's 2024 Q2 ESA report and American Community Survey 2022 5-year zip code tabulation area (ZCTA) estimates (item B19013).

Note: Bars show the rate of children under 18 who had an ESA. Each bar represents 10% of the population, with bars arranged from left (lowest median income) to right (highest median income) based on the median household income of local residents. ESA: Empowerment Scholarship Account.

BROWN CENTER on Education Policy at BROOKINGS



ARIZONA – BILLION DOLLAR DEFICIT

Due to the huge, unexpected increase in cost of the program, the state has had to cut other public services.

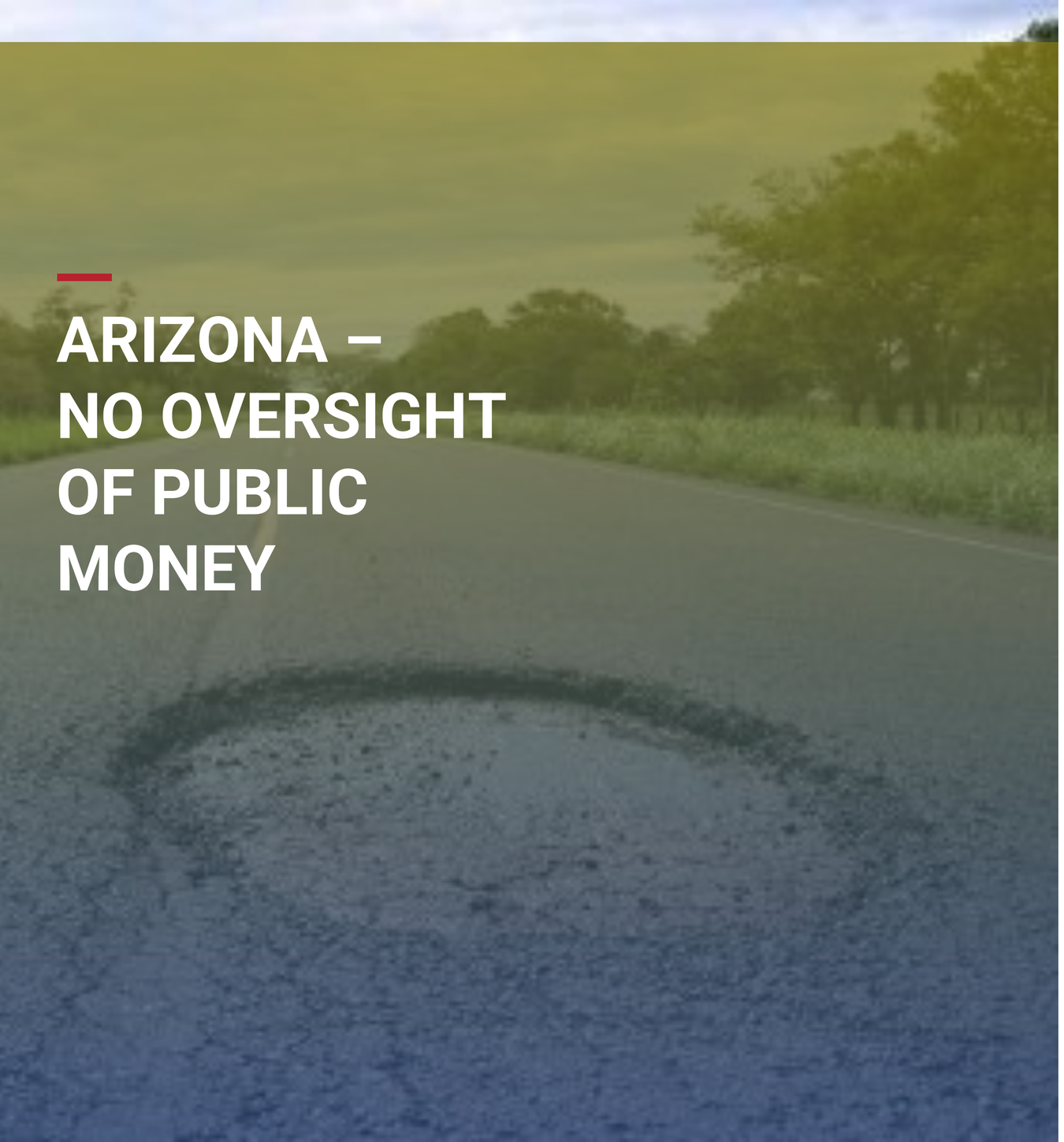
Arizona faced a **$1.4 billion deficit for FY 2024 & FY 2025** due to plummeting revenues from a massive tax cut and skyrocketing costs from its school voucher program expansion.

To balance the state budget **Arizona had to cut spending** across state agencies and public services.

ARIZONA – LED TO STATE FUNDING CUTS

All state agencies received a 3.5% funding cut in FY 2024-2025:

- ↓ $132.7 million from the department of housing
- ↓ $41 million from the department of transportation
- ↓ $300,000 from every public school in the state
- ↓ $333 million deposit into a savings account for future water infrastructure
- ↓ Planned state building renovations were paused, including fixes for unreliable air conditioners at state prisons
- ↓ several highway projects, including pavement improvements, and widening of a state highway



ARIZONA – NO OVERSIGHT OF PUBLIC MONEY

Arizona's ESA program provides virtually zero information about how tax dollars are used:

- Private schools, tutors, vendors, etc., do not have to report their finances to the public
- There are no additional requirements
- Almost any materials can be quantified as curriculum or as an educational expense

The administrative burden on the state DOE led to blanket reimbursement approvals. Including:

- $3,400 at a golf store
- $10,000 for one purchase at a sewing machine company
- $19,000 for 100 passes to an Arizona Snowbowl Ski Resort
- $304 million went to unregulated, unvetted vendors (schools, businesses, tutors, and other services)

AVOIDING THE MISSISSIPPI MISTAKE

For FYs 2023 and 2024, the budget for Mississippi's ESA program was $6 million ($3 million in FY 2023 and $3 million in FY 2024).

MDE disbursed approximately $5.1 million to parents and educational service providers and expended $255,870 (5%) for program administration.

- 515 students participated in FY 2023 and FY 2024
- In FY 2024, 306 students were on the waiting list

If there was no cap on the ESA program, that would have cost MS at least an additional $1,975,856 just FY 2024.

Even with the restrictions in place, in FY 23 and FY 24 the Mississippi paid $1.9 million for students who were already attending private schools.

MISSISSIPPI CENTER FOR JUSTICE

AVOIDING THE MISSISSIPPI MISTAKE

Establishing a universal voucher program will make these numbers grow exponentially.

Mississippi is already facing a reduced state budget.

- Newly adopted state income tax cuts will reduce state revenue
- COVID relief funding for education ends in 2026
- Proposed federal cuts to public education

  Mississippi receives $1 Billion in federal funding for public education, making up 16.7% of the state's education revenue.

AVOIDING THE MISSISSIPPI MISTAKE

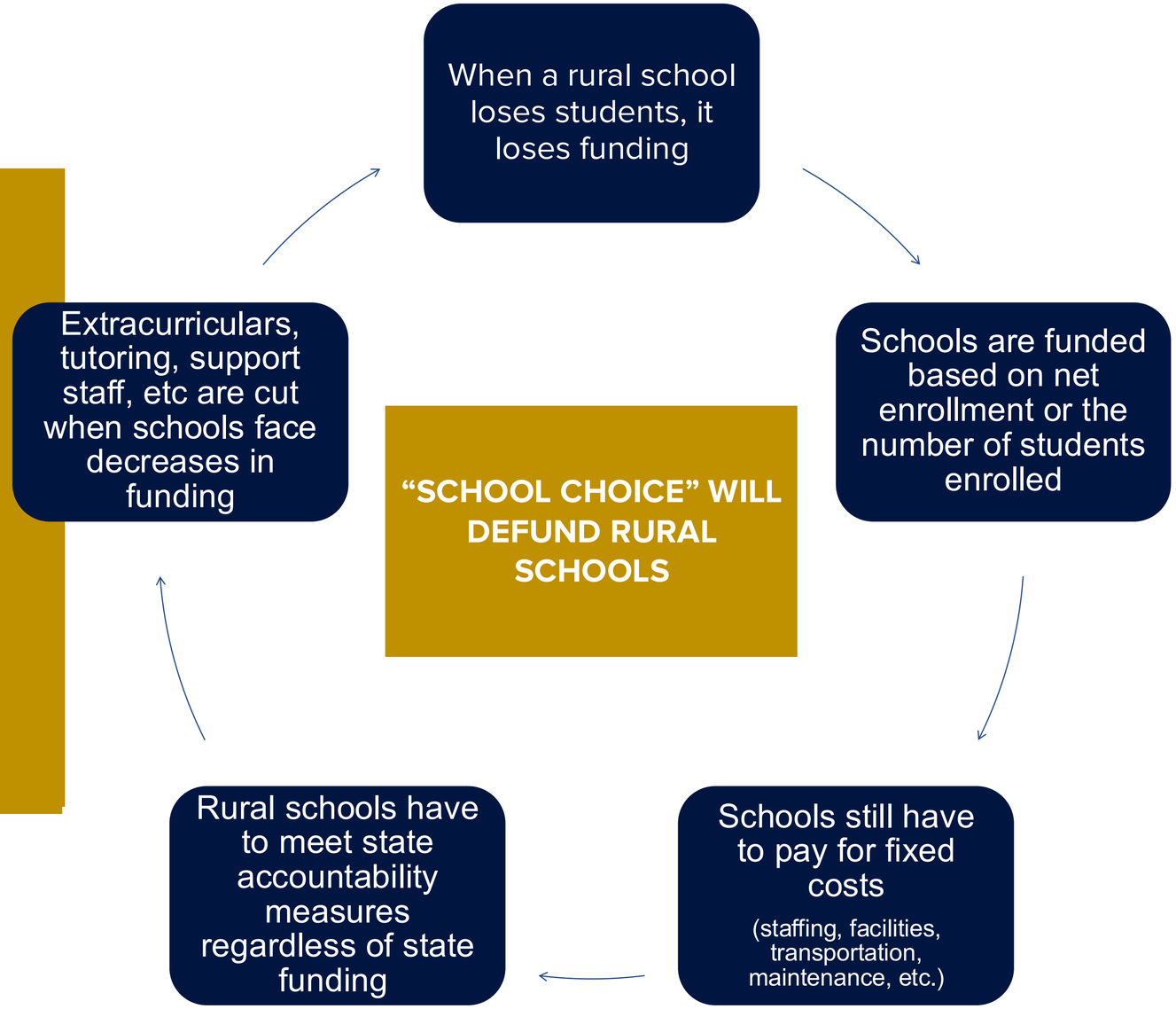
With over 55,000 private school students in the state, universal school choice in **Mississippi is estimated to cost the state and taxpayers $597.8 million.**

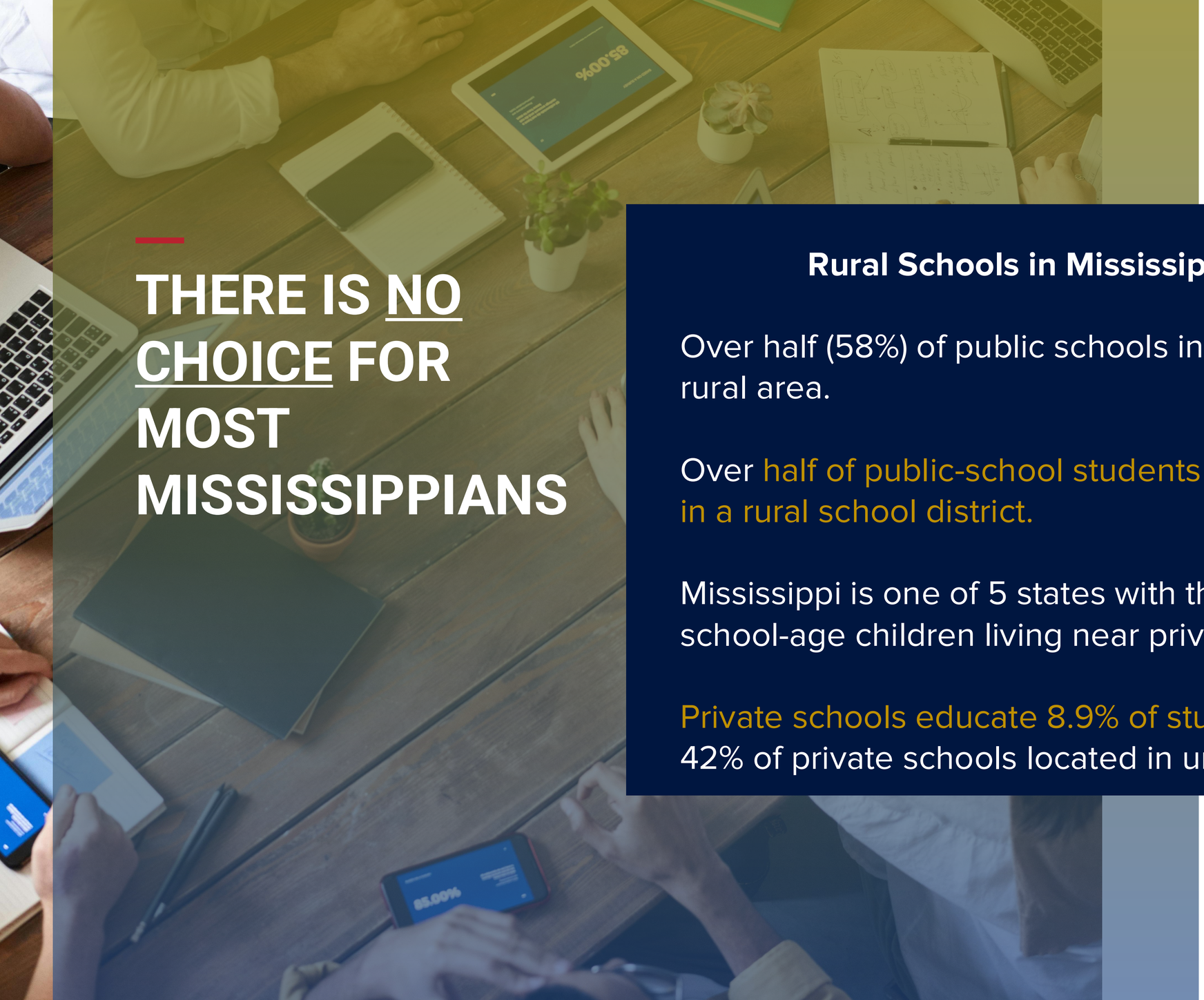
This will be more than we spend on:

- $405 million of the state prison system
- $234 million on hospitals and hospital schools

A reminder that this will include students that the State has never paid for before.

AVOIDING THE MISSISSIPPI MISTAKE





THERE IS NO CHOICE FOR MOST MISSISSIPPIANS

Rural Schools in Mississippi (not just the Delta)

Over half (58%) of public schools in Mississippi are located in a rural area.

Over half of public-school students in Mississippi attend school in a rural school district.

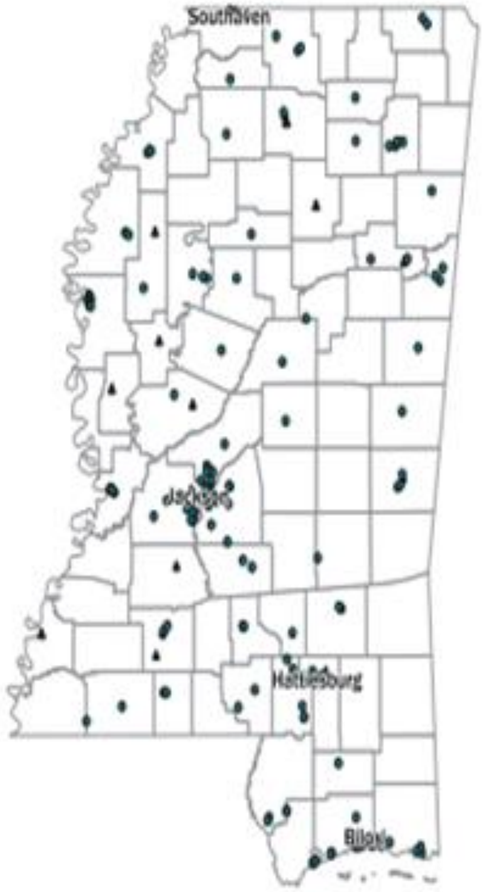
Mississippi is one of 5 states with the smallest population of school-age children living near private schools.

Private schools educate 8.9% of students in Mississippi, with 42% of private schools located in urban or suburban areas.

MISSISSIPPI CENTER FOR JUSTICE

THERE IS NO CHOICE FOR MOST MISSISSIPPIANS

Figure 2. Private Schools in Mississippi, 2021-22



Most Mississippians have **limited or no access to private schools**, which means “school choice” is not available or accessible to half of Mississippi’s students.

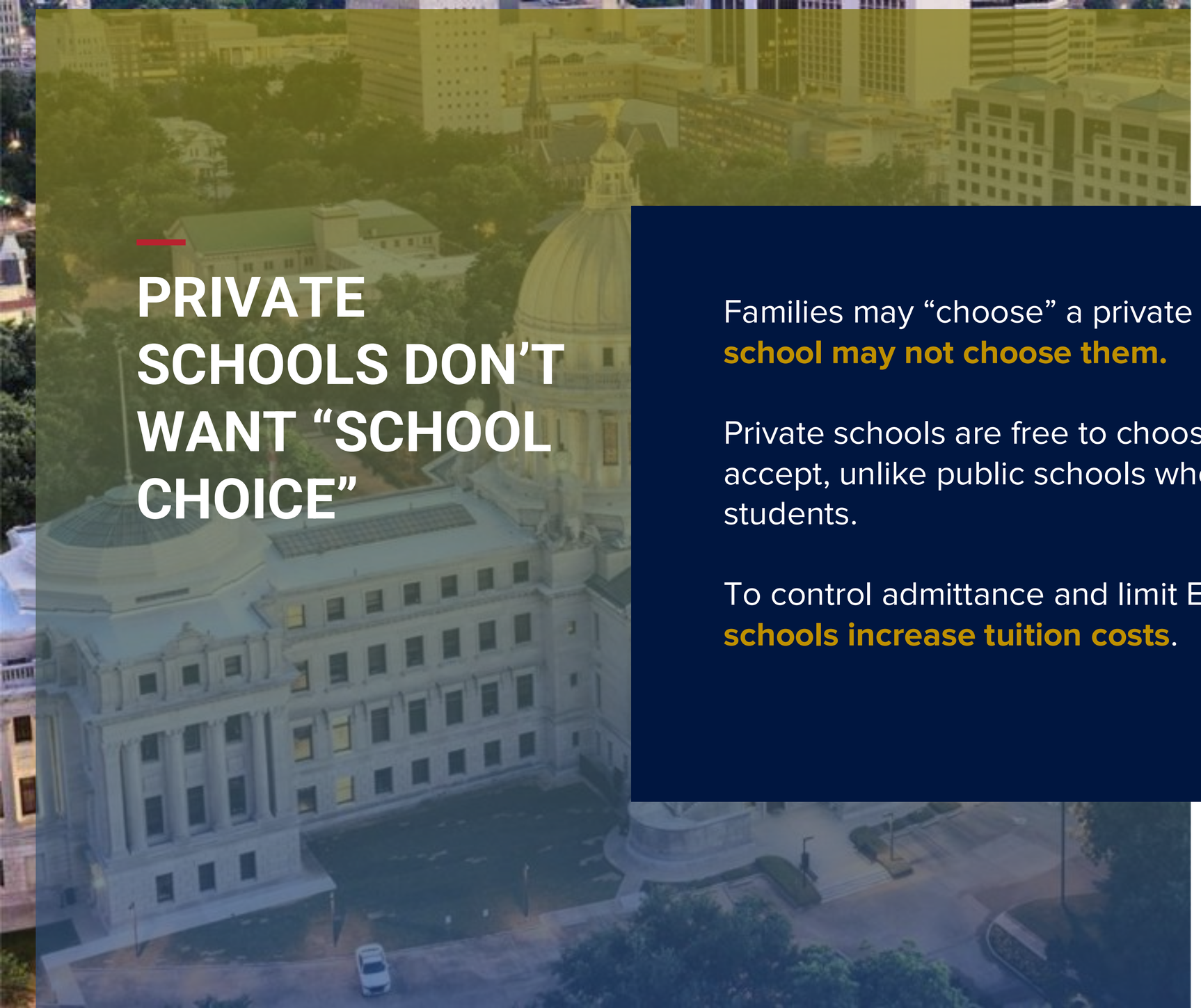
“SCHOOL CHOICE” IS A SUBSIDY FOR THE WEALTHY

“School choice” disproportionately **benefits wealthy families** who can afford to and have already chosen where their children attend school.

Vouchers rarely cover the full cost of attending private school, leaving families to make up the difference.

Currently, the average private school tuition in MS is $11,694, with an average tuition of $6,240 removing the most expensive outliers.

This **does not include additional costs**, such as transportation, textbooks, extracurricular activities, lunch, etc.

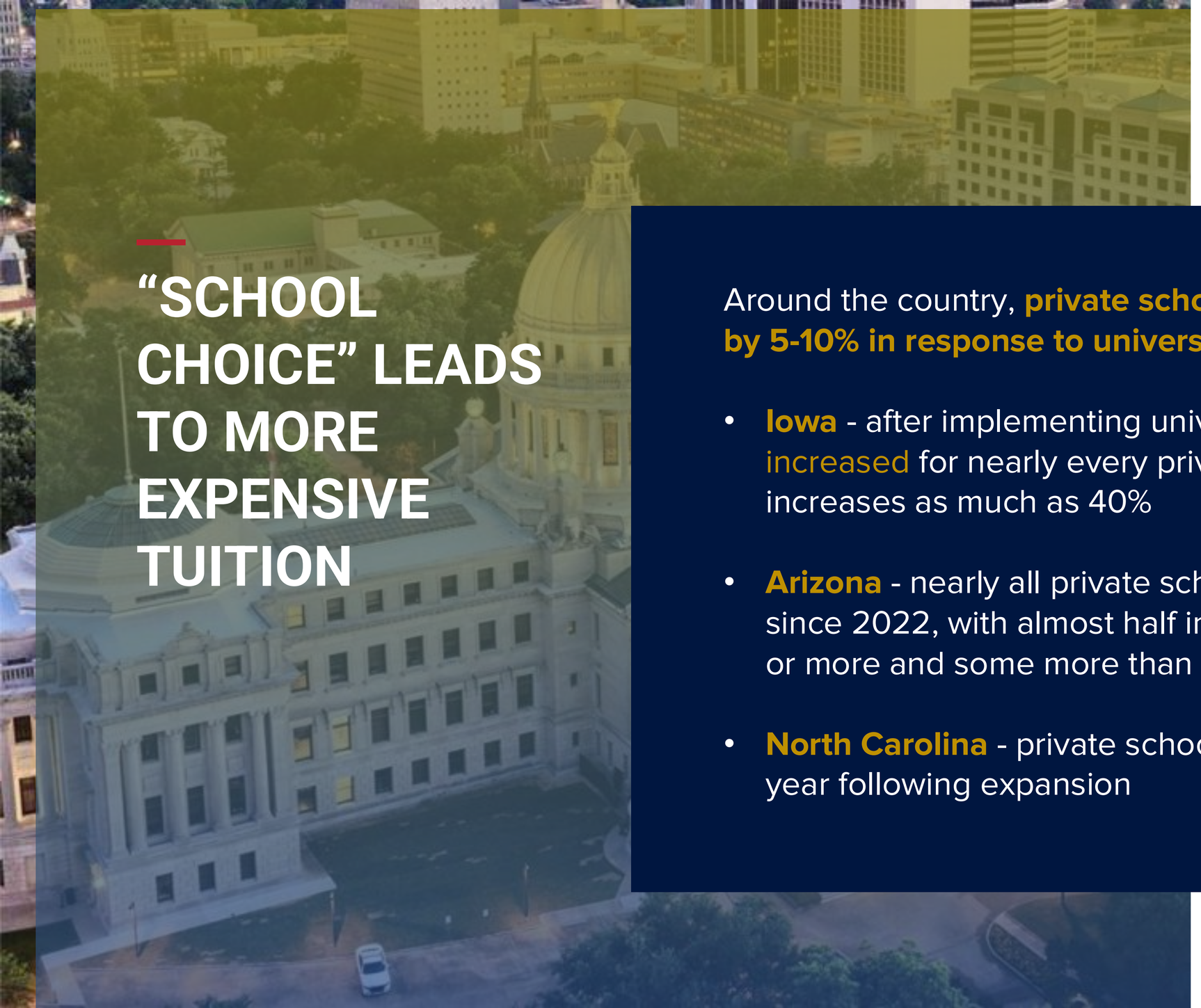


PRIVATE SCHOOLS DON’T WANT “SCHOOL CHOICE”

Families may “choose” a private school, but that **private school may not choose them.**

Private schools are free to choose which students they accept, unlike public schools who must accept all students.

To control admittance and limit ESA participants, **private schools increase tuition costs**.



“SCHOOL CHOICE” LEADS TO MORE EXPENSIVE TUITION

Around the country, **private school tuition has increased by 5-10% in response to universal expansion programs**

- **Iowa** - after implementing universal ESAs, tuition costs increased for nearly every private school, with some increases as much as 40%
- **Arizona** - nearly all private schools have raised tuition since 2022, with almost half increasing tuition by 10% or more and some more than 20%
- **North Carolina** - private schools raised tuition 15% the year following expansion

MAINTAINING THE MISSISSIPPI MIRACLE

Mississippi public schools went from being ranked the 2nd worst state in 2013 for fourth-grade reading to 21st in 2022.

2024 National Assessment of Educational Progress (NAEP) scores show Mississippi's 4th grade public school reading scores have remained steady.

Investing in targeted, evidence-based practices leads to improved student achievement outcomes.

Strengthening public schools by investing millions into hiring reading experts, embedding literacy coaches in public schools, and implementing evidence-based practices led to the great literacy gains heralded as the Mississippi Miracle.

MISSISSIPPI CENTER FOR JUSTICE

RECOMMENDATIONS

- ✓ **Limits** to the number of ESAs provided by the program
- ✓ **Requirements** that students previously attended public schools
- ✓ **Impose income limits** tied to the federal poverty level to ensure the vouchers go to families in need

RECOMMENDATIONS

- ✓ Require private school students to take **standardized state tests** and require the public reporting of student test scores
- ✓ **Provide enrollment stabilization funds**, for public schools that will inevitably experience enrollment declines
- ✓ Include robust **anti-discrimination provisions** that private schools receiving ESA funds must adhere to

OTHER STATES PRECAUTIONS

- North Carolina, Ohio, Wyoming, and Florida have tiered ESA programs that include income caps tied to the federal poverty level.

- North Carolina’s program is a 4 award tier, with students from the lowest-income families receiving the largest scholarships.

- Ohio has 3 programs available to choose from, with programs offering the most money to families with incomes below a certain threshold.

- Idaho refused to pass a “school choice” bill due to the uncertainty of cost.

QUESTIONS?