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TESTIMONY TO THE SENATE EDUCATION SUBCOMMITTEE

Re: EQUAL OPPORTUNITY EDUCATION SCHOLARSHIP ACCOUNT ACT (S.556)

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The League of Women Voters has long maintained opposition to any proposed legislation that diverts state funding away from South Carolina's already underfunded public school system. The League's objection to the Equal Opportunity Education Scholarship Account Act (EOESA) is no different from our previous position. Our concerns arise not just from the impact the bill would have on the equitable funding of our public schools, but also issues of transparency, accountability, and fair comparison of student academic progress to the private schools receiving these funds.

In addition to funding already received by special needs students under the 2017 Educational Credit for Exceptional Needs Children, S.556 would expand the allocation of state revenue to low income students, students of military families, and foster care children to attend a private K-12 school or charter school. Due to the state's poverty level, an estimated 669,600 (93 percent) of South Carolina's 720,000 public school students meet the bill's low income definition. After a two year phase in period, all the state's poor children would eligible to participate. Since the bill allows the transfer of per pupil state funding for each student enrolled in the private school scholarship program, this could amount to as much as \$222.6 million to the public school system in the first year alone.

Impact of Participation:

The number of low income parents who would actually take advantage of this state-financed program is uncertain, leading to the Revenue and Fiscal Affairs Office (RFA) to report that currently there's no way to predict the financial impact on state education funding. And in fairness, it is unlikely to be all families with eligible students. However, the bill's Economic Impact Statement (EIS) reports there would be no cost savings to public schools in direct contradiction to testimony given to this subcommittee. In fact,

the EIS points out the opposite – public schools and districts would definitely see a drop in revenue. Why? For the fixed cost expenses each public school district faces.

No matter what the enrollment, school districts would continue to pay for each school's librarians, art and music teachers, special education teachers, the physical education coach, guidance counselors, school nurses, administrators, paraprofessionals, cafeteria workers, janitors, and maintenance staffs. Not to mention utilities, building maintenance, bus transportation, and cafeteria operations. These costs parallel the household expenses that all families juggle each month. Even if one child leaves for college, the same household expenses remain: housing, utilities, food, clothing, transportation. Unless a family has substantial discretionary income, any income decline would have a direct negative impact on the household's monthly expenses. Additionally, for any low income family to participate in this proposal, the parents face three critical questions:

- How close is a participating private school and are there openings?
- How will they get their children to the private school if accepted?
- What meals will be provided at what cost?

Proximity of private schools:

As noted by the Revenue and Fiscal Affairs EIS, many rural counties have very few private schools. In fact, 16 South Carolina counties have two or fewer (EIS, p. 11, ¶ 2). This raises the question: would the school have an opening and accept the child? Additionally, since almost no private school provides transportation, would the distance to the school prohibit the child from attending if she or he is accepted?

Transportation:

Children attending public schools are assured they can get to school. Buses take them to and from home. Not so for private schools. As previously stated, almost no private schools provide transportation to campus. Getting children to the school is up to their parents to arrange.

While student transportation problems rarely come up in school choice discussions; S.556 attempts to address this.

The bill proposes a \$750 yearly transportation allowance for legible students to get to school, tutoring, counseling, or other academic providers. However, with a 180-day school year, this amounts to \$4.17 a day. This amount does not come close to what a low income student would need to get to and from a private school, even one nearby.

If low income parents have jobs with inflexible schedules, or have no carpooling opportunities, or have no car at all, then the parents must rely on public transportation or cab service to get their children to a private school. Since South Carolina is largely a

rural state, many small towns and rural counties have no public transportation. Even if cab service is available, the usual fee is \$2 for pick-up and dollar a mile. For a cab to pick up a child before and after school would cost \$4 a day with only 17 cents left for mileage. Obviously, this is not nearly enough. To participate in this program, a student without transportation would have to live close enough to walk to school.

Meals:

Students eligible for S.556 scholarships also meet federal requirements for free or reduced school meals. This allows them to receive breakfast and lunch free or at a reduced cost every school day. For many of these low income students, the meals they eat at school are the most nutritious of the day. However, federal eligibility does not automatically follow the child to a private school setting. It's only if the private school is willing to apply for participation in the federal lunch program and provide documentation of the child's eligibility could a low income student continue to receive the free meals. Otherwise, the student would pay for lunch and breakfast or bring a bag lunch. Federal studies show children who bring their lunch to school do not receive the same nutrition as provided by the school meal program.

Consequently, a low income student's ability to participate in the EOESA scholarship program would depend on enrollment capacity and proximity to the private school, the availability of transportation, and the affordability of meals.

Academic results:

Since the 1990s, there have been numerous studies of the academic impact of school choice programs. These analyses consistently indicate that low income students attending private schools on state-funded scholarships show no more academic progress than their peers in public schools.

In May 2016, a study by the Brookings Institute on private school scholarship programs showed test scores of low income students declined the first two years of enrollment but rose in the third year. However, eventually the performance of the scholarship students plateaued, attaining no better academic advancements than their public school peers.

One point made by the study is that many scholarship programs are initiated under the impression that private schools are innately better than public schools. However, the Brookings Institute suggested that strong accountability measures enacted in the aftermath of the 2001 No Child Left Behind law pushed public schools to greater improvement. Consequently, many public schools are on par with many of their area's private schools when the scores of low income students are compared. This is particularly true of private schools with comparable numbers of low income students.

[\(https://www.brookings.edu/research/on-negative-effects-of-vouchers/\)](https://www.brookings.edu/research/on-negative-effects-of-vouchers/).

Of note is a 2018 analysis by the *Wall Street Journal* of Milwaukee's 27-year-old voucher program. The Milwaukee program is similar to the one proposed by S.556 in that it applies to low income students only. However, Milwaukee's program is limited to the city's urban area which has affordable transportation opportunities; therefore, does not address the transportation barriers found in South Carolina's rural communities.

The *Wall Street Journal* report found that low income voucher students showed improvement if the private school attended only accepted very few scholarship students. The higher the enrollment of low income students in the private school, the less academic progress is achieved. This finding certainly would not advance the bill's aim to encourage private school acceptance of scholarship students.

<https://www.wsj.com/articles/do-school-vouchers-work-milwaukees-experiment-suggests-an-answer-1517162799>

Summary

In conclusion, the League of Women Voters of South Carolina recommends that the Senate Education Committee not approve S.556 for the reasons stated in this testimony.

It is hoped that committee members also will give careful consideration to the bill's EIS prepared by the state Revenue and Fiscal Affairs Office. The EIS appears to raise a number of fiscal red flags that members should consider before voting on the bill. These include:

- No anticipated savings from the EOESA scholarship program (EIS, p. 7, ¶ 4)
- Any possible cost savings to the school districts would take years to realize, if realized at all. (EIS, p.13, ¶ 1)
- A reduction of state funds otherwise payable to school districts, resulting in a reduction in local revenue (EIS, p. 13, ¶ 4)
- A "risk" of overburdening public schools if students, currently attending a private school, transfer to a public school district for the time required in order to take advantage of the EOESA scholarship program when returning to their previous private school (EIS, p. 7, ¶ 5).
- Reallocation of education funds to the scholarship program "may prove difficult" in that per pupil state funding comes from multiple sources, in including property tax relief. Consequently, funding of EOESA scholarships would require increased state appropriations to fund property tax relief (EIS, p.11, ¶ 3).

Also, we ask that you carefully consider the numerous points we raise in this testimony and also consult current un-biased, non-ideological research on school scholarship programs for low income public school students.