



Date: June 13, 2017

To: Senate Education Committee, Chair Roblan and Members

From: Laurie Wimmer, OEA Government Relations

RE: SB 437 [Vouchers/ESA]

On behalf of OEA's 44,000 public school and community college educators, it is my honor to speak in opposition to SB 437 specifically and vouchers more generally, and to explain why our members and the vast majority of Oregonians oppose such proposals.

First of all, a bit of history: Economist Milton Friedman is widely credited for inventing this means of rerouting public dollars for private purposes. In his 1955 paper, "The Role of Government in Education", the modern voucher movement was launched in the hope of creating competition among schools to decrease education costs and therefore taxes.

In 1983, the Koch brothers'-supported American Legislative Exchange Council, or ALEC, first started promoting its model legislation on vouchers and other school privatization efforts. ALEC's "model" legislation sought to create financial incentives for people to take their children out of public schools and to enroll them in private, for-profit, religious, and other schools. The commentary accompanying this legislation noted that its purpose was "to introduce normal market forces" into education and to "dismantle the control and power" of teachers' unions by directing money from public institutions to private ones. According to Dr. Friedman, who spoke to ALEC in 2006, vouchers are really a step toward "abolishing the public school system".

In recent years, due to the organization's general failure to sell the idea to a dubious public, the messaging, promotion, and even the name of such schemes became more nuanced. Instead of showing their true intent, voucher proponents focused on the idea of "parent choice" and of advancing a more sympathetic goal of subsidizing private schooling for poor or disabled students. Additionally, ALEC began tinkering with the language and mechanisms of the concept. The bill before you today, SB 437, is a rewording, section by section, of ALEC model legislation, which I've attached to my testimony.

Vouchers – whether disguised as "scholarships", "savings accounts", or "tuition tax credits" – all serve essentially the same purposes, to fund private and religious education and homeschooling and to advantage primarily affluent families who would pay private tuition anyway, state support notwithstanding.

OEA opposes such legislation for several reasons. First, vouchers don't work. They don't improve educational outcomes, they lack accountability and oversight, and they fund schools that discriminate. They don't give parents a true "choice", but instead, allow private schools to pick and choose students. Finally, they divert public dollars from public schools to private and religious entities. This impacts the educational quality for the vast majority of students in Oregon, who choose to enroll in public schools. If private schools were such a stellar option, it would have to be said that such schemes only advantage the few at the expense of the many. That's not an issue of "choice" but of "equity".

Indiana is a state with the largest voucher program in the country. More than half of its participants have never enrolled in a public or private school – they are homeschoolers. Another observable phenomenon of the Indiana experiment is that though minority and low-income students are used to justify the shift of tax revenues to private entities, it is white and affluent students who benefit most. After Indiana instituted its program, white voucher students rose from 46% that first year to 60% today. The share of black students dropped from 24% to 12%. Recipients in Indiana are also increasingly suburban and middle class.

Another interesting development across the country is the degree to which these voucher and voucher-like programs serve to prop up financially cash-strapped religious institutions. In a recent study of Milwaukee, Wisconsin's program, researchers found that "vouchers are now a dominant source of funding for many churches" and that parishes "running voucher-accepting schools get more revenue from vouchers than from worshippers."

While SB 437 purports to make it possible for students from low-income households attend private and religious schools, let's look at the facts. Under the dash one amendment, recipients would receive between \$4800 and \$6000 per year to pay for all costs: tuition, fees, transportation, and so on. Yet, a look at the top 15 private schools in Oregon shows that such a subsidy does not cover the going rate for these pricey schools (see attached list). Furthermore, most if not all of these schools are selective and are legally allowed to discriminate in accepting and retaining applicants. Public schools, by contrast, accept all students, regardless of race, family income, religion, academic record, or disability. Private entities to which this money would flow are not required to comply with Oregon health and safety standards, curriculum or teaching quality, or other student protections, either. There is scant accountability baked into the concept, and huge processing costs for the State Treasurer, who would be expected to annually approve more than 90,000 ESA applications, according to proponents' own math. The 3% allowed from the pot to cover administrative costs is laughably insufficient.

According to national research, 70% of Americans oppose funneling taxpayer money to private schools via vouchers and their ilk. Indeed, Oregonians rejected a ballot measure proposal in 1972, as have voters in Washington, Alaska, and several other states. Rural school districts are especially vulnerable to the fiscal harm that statewide voucher programs would cause by siphoning public resources to private operators. Though some proponents try to frame this as a "civil rights" measure, the facts make that claim incredible. For instance, Georgia's voucher-like tax credit program was billed as a way of helping African American and Latino families, but most of its scholarships have been awarded to white students from upper-income families. Over time, a universal voucher system would not only destroy public education by undermining it financially, but it would also increase segregation.

One final point we would like you to consider. Proponents have issued a legal opinion that Oregon's Blaine Amendment (Article I, Section 5 of the Oregon Constitution) would allow for the enactment of SB 437 because Oregon courts would likely follow the U.S. Supreme Court's lead. They make the point that this program would be seen to have a valid secular purpose and would be neutral with respect to religion. The opinion of their lawyer also speculates that such a proposal would be upheld because Article VIII, Section 3 only requires the establishment of a uniform and general system of Common schools – which voucher proponents insist their plan would not undermine. The opinion fails to note, however, that Article VIII, Section 8 further requires the state to fund the public education system sufficiently – which would be even more challenging than it already is were an ESA to be enacted. Indeed, the proponents scoff at the notion that their calculated fiscal impact of \$200 million in the 2017-2019 biennium would impair school funding in a meaningful way. Well, \$200 million is precisely the size of the shortfall from a true CSL by which SB 5517, the recently passed State School Fund budget, is plagued. Clearly this financial impediment would undermine the Legislature's constitutional obligation to provide for a basic education to all students.

In short, discrimination, undermining our public schools, and privatization are not Oregon values.