



**REACHING  
HIGHER NH**

Supporting Our Public Schools

# SB 193 Analysis

# Reaching Higher NH: A Public Education Policy Resource

## What we do

Track, report on, and explain public education legislation in a way that stakeholders can understand and use to make informed decisions.



Convene and work with parents, students, educators, and business and community leaders to gather stories, different points of view, and information to share with the Granite State community.



Prepare and deliver issue briefs on critical topics in education.



Support local innovation through special projects in communities throughout NH.



Reaching Higher NH is a nonpartisan public education policy resource for New Hampshire families, educators, and elected officials.

Our mission is to support high quality public education for every student in New Hampshire.

We provide resources and analysis to help raise public awareness and engagement around efforts to bring together communities and create opportunities to develop and/or support the following:

- 21<sup>st</sup> century skills;
- Diminish dropout rates;
- Encourage the development of personalized career pathways; and,
- Reduce reliance on high stakes testing and expand innovative, locally-driven models of instruction and assessment.



### SB 193

Establishing an education  
freedom savings accounts for  
students

# SB 193

**Establishes a universal voucher program for New Hampshire**

## **How it would work:**

A parent signs a contract with a scholarship organization where the parent agrees to provide an education for the student. The scholarship organization notifies the New Hampshire Commissioner of Education about the contract and the Department of Education transfers a certain amounts of funds (described below) to the scholarship organization. The scholarship organization maintains a student account for all parents who have signed a contract. The parents have full access to these accounts to pay for educational services including public schools, private schools, postsecondary institutions, and homeschool.

Eligible students include all students ages 5-20 who have not graduated from high school and are:

1. attending a public school;
2. in kindergarten; or
3. receiving homeschool education

Funds provided for a voucher would range between:

1. Average of \$2,500 for home school education;
2. 50% of per-pupil adequacy grant for kindergarten students; or
3. 90% of per-pupil adequacy grant for students in grades 1-12

*(adequacy grants include any differentiated aid)*

Scholarship organizations receive 5% of per-pupil adequacy grants for bureaucratic costs.



# Financial Costs

It is difficult to estimate costs for students who “switch” from public school to either home school or private school – there are no caps or restrictions and so in theory all students in public school could receive a voucher to enroll in private school or homeschool.

The cost to the state of “switchers” could be relatively minimal because the same adequacy payment the would have gone to a public school would now go the scholarship organization instead. **The additional costs are downshifted to communities that must support an educational infrastructure with less adequacy funding from the state.**

There would, however, be new costs to the state for students currently receiving homeschool educations and students currently in private school who use this program to receive a voucher.



Note: there are no provisions describing when parents must enter into a contract with a scholarship organization – this means that student enrollment would be difficult to predict with any precision



# Home School Costs

There are currently ~6,000 students receiving home school education in New Hampshire. The financial cost of the voucher program would depend on the # of home school students (top row in blue) and the % of such students who receive a voucher (left row in red).

At avg. cost of \$2,500 per voucher, the financial cost could be up to \$16 million per year. If we assume 50% adoption, then the cost would probably be around \$7.5 or \$8 million per year.

	Annual Costs										
		Growth Rate in Home School									
		1.0%	2.0%	3.0%	4.0%	5.0%	6.0%	7.0%	8.0%	9.0%	10.0%
		5,973	6,032	6,091	6,151	6,210	6,269	6,328	6,387	6,446	6,505
Adoption Rate	10%	\$1,493,285	\$1,508,070	\$1,522,855	\$1,537,640	\$1,552,425	\$1,567,210	\$1,581,995	\$1,596,780	\$1,611,565	\$1,626,350
	20%	\$2,986,570	\$3,016,140	\$3,045,710	\$3,075,280	\$3,104,850	\$3,134,420	\$3,163,990	\$3,193,560	\$3,223,130	\$3,252,700
	30%	\$4,479,855	\$4,524,210	\$4,568,565	\$4,612,920	\$4,657,275	\$4,701,630	\$4,745,985	\$4,790,340	\$4,834,695	\$4,879,050
	40%	\$5,973,140	\$6,032,280	\$6,091,420	\$6,150,560	\$6,209,700	\$6,268,840	\$6,327,980	\$6,387,120	\$6,446,260	\$6,505,400
	50%	\$7,466,425	\$7,540,350	\$7,614,275	\$7,688,200	\$7,762,125	\$7,836,050	\$7,909,975	\$7,983,900	\$8,057,825	\$8,131,750
	60%	\$8,959,710	\$9,048,420	\$9,137,130	\$9,225,840	\$9,314,550	\$9,403,260	\$9,491,970	\$9,580,680	\$9,669,390	\$9,758,100
	70%	\$10,452,995	\$10,556,490	\$10,659,985	\$10,763,480	\$10,866,975	\$10,970,470	\$11,073,965	\$11,177,460	\$11,280,955	\$11,384,450
	80%	\$11,946,280	\$12,064,560	\$12,182,840	\$12,301,120	\$12,419,400	\$12,537,680	\$12,655,960	\$12,774,240	\$12,892,520	\$13,010,800
	90%	\$13,439,565	\$13,572,630	\$13,705,695	\$13,838,760	\$13,971,825	\$14,104,890	\$14,237,955	\$14,371,020	\$14,504,085	\$14,637,150
	100%	\$14,932,850	\$15,080,700	\$15,228,550	\$15,376,400	\$15,524,250	\$15,672,100	\$15,819,950	\$15,967,800	\$16,115,650	\$16,263,500

# Private School Costs

There are currently ~16,800 students in private school. The financial cost of the voucher program would depend on the # of private school students (top row in blue) and the % of such students who receive a voucher (left row in red). (Note: some % of private school students are out-of-state residents and so these students would not be eligible for a voucher.)

At avg. cost of \$3,454 per voucher (95% of FY 2018 per-pupil adequacy grant assuming no differentiated aid), the financial cost could range up to \$60 million per year. If we assume 50% adoption, then the cost would probably be around \$30 million per year.

Annual Costs											
		Growth Rate in Private School									
		-2.0%	-1.5%	-1.0%	-0.5%	0.0%	0.5%	1.0%	1.5%	2.0%	2.5%
		16,494	16,579	16,663	16,747	16,831	16,915	16,999	17,083	17,168	17,252
Adoption Rate	10%	\$5,697,583	\$5,726,652	\$5,755,721	\$5,784,791	\$5,813,860	\$5,842,929	\$5,871,999	\$5,901,068	\$5,930,137	\$5,959,206
	20%	\$11,395,166	\$11,453,304	\$11,511,443	\$11,569,581	\$11,627,720	\$11,685,859	\$11,743,997	\$11,802,136	\$11,860,274	\$11,918,413
	30%	\$17,092,748	\$17,179,956	\$17,267,164	\$17,354,372	\$17,441,580	\$17,528,788	\$17,615,996	\$17,703,204	\$17,790,411	\$17,877,619
	40%	\$22,790,331	\$22,906,608	\$23,022,885	\$23,139,163	\$23,255,440	\$23,371,717	\$23,487,994	\$23,604,271	\$23,720,549	\$23,836,826
	50%	\$28,487,914	\$28,633,260	\$28,778,607	\$28,923,953	\$29,069,300	\$29,214,646	\$29,359,993	\$29,505,339	\$29,650,686	\$29,796,032
	60%	\$34,185,497	\$34,359,912	\$34,534,328	\$34,708,744	\$34,883,160	\$35,057,576	\$35,231,991	\$35,406,407	\$35,580,823	\$35,755,239
	70%	\$39,883,079	\$40,086,564	\$40,290,049	\$40,493,535	\$40,697,020	\$40,900,505	\$41,103,990	\$41,307,475	\$41,510,960	\$41,714,445
	80%	\$45,580,662	\$45,813,216	\$46,045,771	\$46,278,325	\$46,510,880	\$46,743,434	\$46,975,988	\$47,208,543	\$47,441,097	\$47,673,652
	90%	\$51,278,245	\$51,539,869	\$51,801,492	\$52,063,116	\$52,324,740	\$52,586,363	\$52,847,987	\$53,109,611	\$53,371,234	\$53,632,858
	100%	\$56,975,828	\$57,266,521	\$57,557,214	\$57,847,907	\$58,138,600	\$58,429,293	\$58,719,986	\$59,010,679	\$59,301,372	\$59,592,065

# Total Costs for Homeschool and Private School Students

SB 193 would create a clear and substantial financial incentive to signup for families with a student currently in either homeschool or private school. So we should anticipate a high adoption rate. Based upon the current numbers of students in home school and in private school, it is reasonable to estimate:

1. An annual cost of approximately \$8 million (50% adoption) to \$16 million (100% adoption) for home school students; and
2. An annual cost of approximately \$30 million (50% adoption) to \$60 million (100% adoption) for private school students.

For a total additional cost to the state of between **\$38 million to \$76 million** per year.

This does not take into consideration the financial costs that local communities will have to cover due to the loss of state funding for students currently in public school who receive a voucher and exit the public school system.





# Administrative Concerns

SB 193, as written, does not address critical details with respect to the administration of a voucher program. In particular, it is unclear how the state would support families and students who re-enter a district school after using a voucher to attend a private school or home school.

What happens if a student uses a voucher to enroll in private school, but then halfway through the year decides that he or she prefers public school? That student has a right to attend the public school, but the state has already provided the voucher money, so does the private school need to refund the state? Does the public school still get state adequacy funds for the ½ a year that the student attends the public school?

Furthermore, SB 193 does not establish a clear signup period for vouchers. Without a clearly defined window to sign up for vouchers, it will be difficult for local school boards to prepare a budget as there will be no way of estimating (with any accuracy) how many students will be enrolled in the public school.

# Operational Concerns

- **No targeting, no caps, no restrictions** – this is among the most extreme voucher proposals in the country. Nevada has a universal program; however, it has been held up in court and in the state legislature and so has not gone into effect.
- **No requirements that private schools change enrollment procedures or administer annual exams** – private schools would retain the ability to reject students even as the school receives public funds. This is extremely disadvantageous to students with disabilities and students from lower-income families. There is also no requirement that private schools that receive public funds administer the state annual exam to compare results with other schools.
- **Lack of transparency** regarding external influences (no requirement for independent financial audit of the scholarship organization) – scholarship organizations can receive gifts, grants, and funds from for-profit providers of educational services (the same companies that sell products to schools and parents).







## Academic Concerns – the Negative Return on Investment of Vouchers in Other States

**Several recent studies have found negative results for students who participate in voucher programs.**

A 2016 report from the Fordham Institute, a supporter of voucher programs, found that students who received a voucher from Ohio's EdChoice program and enrolled in private school fared worse academically than their peers who remained in public school – “the estimated effects of EdChoice participation on test scores are unambiguously negative across a variety of model specifications, for both reading and mathematics...”<sup>1</sup>

A 2016 report from the Education Research Alliance for New Orleans found that the Louisiana Scholarship Program negatively impacted the academic performance of participating students – participating students (who received a voucher and enrolled in a private school) performed 13 percentile points worse than control group students in math two years after receiving a voucher.<sup>2</sup>

1 Figlio, David and Karbownik, Krzysztof. Evaluation of Ohio's EdChoice Scholarship Program: Selection, Competition, and Performance Effects. Columbus, Ohio: Thomas Fordham Institute. 2016. Page 34. Available at [https://edex.s3-us-west-2.amazonaws.com/publication/pdfs/FORDHAM%20Ed%20Choice%20Evaluation%20Report\\_online%20edition.pdf](https://edex.s3-us-west-2.amazonaws.com/publication/pdfs/FORDHAM%20Ed%20Choice%20Evaluation%20Report_online%20edition.pdf).


2 Egalite Anna, Mills, Jonathan, and Wolf, Patrick. How Has the Louisiana Scholarship Program Affected Students? A Comprehensive Summary of Effects after Two Years. New Orleans: Education Research Alliance for New Orleans. 2016. Available at <http://educationresearchalliancenola.org/files/publications/ERA-Policy-Brief-Public-Private-School-Choice-160218.pdf>.





# Questions?


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