

How private schools, charter schools, and corporate tax breaks drain public education funding

The following research details how private interests—private schools, charter schools, and corporations—pocket public dollars meant for education.

Private schools, vouchers, education savings accounts

[*New York Can't Afford It: The State Diverts Hundreds of Millions of Public Dollars to Private Schools Each Year*](#) (2020)

A brief from Public Funds Public Schools outlining how even though New York does not have a traditional voucher program providing public funds to families for tuition at private schools, the state diverts funds to pay for a wide range of expenses incurred by private schools, in the form of reimbursements, grants, and loaned resources from school districts.

[*Research Shows Private School Vouchers Don't Work for Students and Harm Public Schools*](#) (2020)

A fact sheet from Public Funds Public Schools explaining many of the problems with vouchers, including the diversion of money from public school districts.

[*\\$10,700 Per Student: The Estimated Cost of Arizona's Private School Subsidy Programs*](#) (2018)

A Grand Canyon Institute analysis showing that the cost to Arizona's General Fund of the state's private school subsidy programs is \$10,700 per student, 75 percent more than the cost per public school student.

[*The State of Education Savings Account Programs in the United States*](#) (2018)

The National Education Policy Center concludes that “major concerns raised about [Education Savings Account] ESA programs include their lack of accountability, their potential effects on social and economic stratification in schools and society, and their fiscal impact on school districts and states.”

[*Vouchers: Should States Be Subsidizing Private Education at a Steep Cost to Public Schools?*](#) (2020)

Jan Resseger writes, “What is rarely mentioned in the voucher debates is that no state legislature creating a voucher program has added a new tax to pay for it. Instead, the money always comes out of the coffers of the state education budget and, as in Ohio today, out of local school district budgets.”

[*State Tax Subsidies for Private K-12 Education*](#) (2016)

An Institute on Taxation and Economic Policy study explaining how in many states tax credits and deductions are redirecting public dollars for K-12 education toward private schools. In 2016, 20 states were diverting a total of over \$1 billion per year toward private schools via special tax

credits and deductions. These subsidies are essentially backdoor voucher programs, or “neovouchers,” as they use the tax code to provide what amount to private school vouchers even when traditional voucher programs are unpopular with the public or outright unconstitutional.

Charter schools

[*Breaking Point: The Cost of Charter Schools for Public School Districts*](#) (2018)

An In the Public Interest report calculating the fiscal impact of charter schools on California’s Oakland Unified School District, San Diego Unified School District, and San Jose’s East Side Union High School District.

[*How charter schools impact public school district budgets*](#) (2018)

A compilation of studies by a variety of institutions and authors, all which share a similar finding: districts and the students they serve are undermined by prioritizing charter school growth over educational opportunities for all students.

[*“The cost of charter school expansion is too high”*](#) (2020)

An op-ed from Gordon Lafer, professor at the University of Oregon, on the costs of students moving from traditional schools to charter schools.

[*Spending Blind: The Failure of Policy Planning in California’s Charter School Facility Funding*](#) (2017)

An In the Public Interest report revealing that a substantial portion of the more than \$2.5 billion in tax dollars or taxpayer subsidized financing spent on California charter school facilities in the past 15 years has been misspent on: schools that underperformed nearby traditional public schools; schools built in districts that already had enough classroom space; schools that were found to have discriminatory enrollment policies; and in the worst cases, schools that engaged in unethical or corrupt practices.

[*Still Asleep at the Wheel: How the Federal Charter Schools Program Results in a Pileup of Fraud and Waste*](#) (2019)

A Network for Public Education report documenting over a half-billion federal dollars that was wasted on defunct charter schools between 2006 and 2014.

[*Fraud and waste in California’s charter schools*](#) (2018)

An In the Public Interest reporting building on existing research to show that, due to a severe lack of oversight, an untold amount of California’s public funding is being lost to charter school fraud and waste each year.

[“Charter schools and their management companies won at least \\$925 million in federal coronavirus funding, data shows”](#) (2020)

The Washington Post documents how charter schools received federal emergency stimulus money from the same fund that traditional public schools did—but some charter schools decided to double dip and apply for Paycheck Protection Program (PPP) loans meant for private small businesses as well.

Corporate tax breaks

[The Revenue Impact of Corporate Tax Incentives on South Carolina Public Schools](#) (2020)

A Good Jobs First report documenting how public school districts in South Carolina suffered a sharp increase in lost tax revenue in FY 2019 due to tax breaks granted to private corporations by county governments. Their revenue losses in just the one year totaled \$423 million.

[The New Math on School Finance: Adding Up the First-Ever Disclosure of Corporate Tax Abatements’ Cost to Public Education](#) (2019)

A Good Jobs First examination of the financial reports of more than 5,600 of the nation’s 13,500 independent school districts documenting how much revenue they lose to corporate tax breaks granted in the name of economic development.

[Discover How Much Revenue Governments in the United States Lose Every Year to Tax Abatement Programs](#) (Regularly updated)

Good Jobs First’s searchable database allowing searching for any school district to see how much revenue is lost to tax abatements every year.