Association of Metropolitan School Districts

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Position on Taxpayer Subsidies for Nonpublic K-12 Education

Any school receiving public aid or enrolling students from families receiving public educational subsidies should be accessible to all students, transparent to taxpayers, and accountable to federal and state laws and rules applicable to public schools.

AMSD BELIEVES

- Minnesota's constitutional duty to establish a general and uniform system of public schools obligates state policymakers to focus on funding its public schools adequately.
- Minnesota has extensive school choice options through open enrollment, dual enrollment programs, charter schools, online learning, and educational tax credits and deductions.
- Minnesota provides significant direct subsidies to nonpublic schools to assist with the costs associated with transportation, textbooks, special education, counseling and nursing services. In addition, tax credits and deductions are available to families of private school students.
- State taxpayers have a right to expect that any institution that receives public dollars will be accessible to all children, including children with special needs, held accountable for how those funds are expended, and adheres to all applicable federal and state laws and rules including the Individuals with Disabilities Education Act and the Every Student Succeeds Act.

BACKGROUND

The Minnesota Constitution prohibits the State from directing public money to sectarian schools. Article XIII, Section 2 states, "In no case shall public money or property be appropriated or used for the support of schools wherein the distinctive doctrines, creeds or tenets of any particular Christian or other religious sect are promulgated or taught."

While voucher proponents claim taxpayer subsidies for nonpublic schools save money, research by Bruce Baker of the University of Miami indicates that universal voucher programs, in fact, cost taxpayers more. In Florida, for example, costs exploded from an estimated $676 million in 2023 to nearly $4 billion for the 2024-25 school year. Baker notes Arizona saw an increase of nearly $400 million (a 211 percent jump) when they expanded their ESA voucher program in 2022-23.[1]

Furthermore, Baker notes that recently adopted and expanded voucher programs have driven public expenditures to higher income families whose children already attended private schools, and on average, lead to lower (and less equitable) outcomes. Specifically, he notes:

- Not only are most participants in these programs already enrolled in private school but they tend to be from the highest income brackets.
- Subsidies are often going to schools that engage in discriminatory admissions of students, creating inequality of access.
- To the extent that researchers have studied and measured the academic outcomes of these programs, they have

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been dismal, yielding more damage to student outcomes in reading and math than major national disasters or the recent global pandemic.

Research by FutureEd found similar results when it conducted an in-depth analysis of the eight states that operated universal or near-universal private school choice programs during the 2023–24 school year: Arizona, Arkansas, Florida, Iowa, Indiana, Ohio, Oklahoma, and West Virginia. The study found that contrary to many lawmakers' expectations, most participants were already in private schools. While public school enrollment didn't immediately decline, state budgets were strained in ways many legislators had not anticipated. At the same time, participation skewed toward higher-income, predominantly white families. Oversight was limited, with few states requiring robust academic reporting or quality controls for providers.[2]

State policymakers should focus on their constitutional duty to establish a general and uniform system of public schools. By many measures, the State is not meeting that obligation:

- Beginning in FY26, the education funding formula is linked to inflation to a maximum increase of 3 percent. However, from 2003 to 2026 the formula lost $1,420 per pupil to inflation leaving a gap that continues to impact school district budgets. [3]

- The 2023 Education Bill increased special education cross subsidy reduction aid to 44 percent in FY24 and then to 50 percent in FY27, providing some financial relief. However, even with this investment, a shortfall of $448 million will remain.

- In FY24, AMSD school districts spent nearly $180.8 million on services for English learners but received just $36.7 million in English learner funding.[4] The 2023 Education Bill included new investments in the English Learner program, but even after full implementation, a shortfall will remain.

Endnotes

[1] 1 Baker, Bruce D. (2024): "Time to Rein in School Vouchers" School Finance 101. https://schoolfinance101.com/2024/08/06/time-to-rein-in-vouchers/

[2] Bella DiMarco: "Directional Signals: A New Analysis of the Evolving Private School Choice Landscape" (2025): https://www.future-ed.org/directional-signals-a-new-analysis-of-the-evolving-private-school-choice-landscape/

[3] Ehlers Public Finance Advisors (2024): MDE June 2024 Inflation Estimates and Minnesota Laws 2023.

[4] Minnesota Department of Education FY23 English Language cross-subsidy figures.