

School Vouchers in North Carolina

History

The modern concept of school vouchers was introduced in the U.S. in the mid 1950s by economist Milton Friedman, framed as a way to spark competition and improve public school performance. In some southern states, including North Carolina, vouchers were established as a way for white families to avoid school desegregation after *Brown v. Board of Education*. In 1956, two years after the *Brown* ruling, the NC General Assembly passed and voters approved the Pearsall Plan, which would allow state funds to be allocated toward tuition grants for children assigned to desegregated public schools to attend segregated private schools.

What are School Vouchers?

A voucher describes tax-sponsored funding provided to families to send their children to nonpublic schools.

Private School Accountability

Private schools receiving taxpayer dollars are not held to the same accountability and reporting requirements as public schools. Accountability requirements in NC are weaker than in other states with such programs; among the seven states and DC that have a scholarship program for low-income students, four require students receiving scholarships to take state assessments. One of the other states and DC require that scholarship students take a common, nationally norm-referenced test. Schools receiving voucher funding must issue a nationally-normed exam, but it need not be the state assessment nor a common test across schools. Results are not reported publicly, making it very difficult to meaningfully understand and compare how voucher schools are performing.



NC's Voucher Programs

There are already two school voucher programs in North Carolina. The Education Savings Account Plus Program provides up to \$17,000 per year to cover educational expenses for students with disabilities and the Opportunity Scholarship Program provides up to \$6,400 per year to students from low income families to attend private schools.



Senate Bill 406 & House Bill 823

Companion bills SB 406 and HB 823 would eliminate income requirements to receive vouchers, making all students, not only those from low-income families, eligible to receive public funds to subsidize tuition at private schools. Students would be eligible to receive a voucher regardless of whether they have ever attended a public school. The bill would significantly increase taxpayer dollars going towards vouchers each year, from about \$94 million in 2022-23 to \$176.5 million in 2023-24 and reaching more than \$500 million annually by 2032.