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Indiana is nearing universal school choice. Critics decry ‘slow bleed’ on public education



The Indiana Statehouse is pictured Jan. 4, 2021, in Indianapolis. Lawmakers included a line in the current budget proposal that would make school choice vouchers available to all Indiana students.

Photo by Tribune News Service / The Indiana Daily Student

By Marissa Meador

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If all goes well for school choice advocates this legislative session, every single child in Indiana will be able to attend a private school on the taxpayers' dime.

This year's **budget bill**, which contains a line that makes voucher eligibility universal, is the "final step" for the Indiana Non-Public Education Association, a 50-year-old nonprofit that has advocated for the gradual expansion of a program that initially only provided funds to low-and-middle-income kids.

But critics of school choice believe the program is stifling the state's most vulnerable public schools, routing taxpayer dollars to private schools concentrated in urban areas while rural areas suffer economically. They argue more investment in public education could revitalize a budget that hasn't kept up with inflation.

Shopping for schools

The logic of Indiana's voucher program is to give parents maximum choice when determining a place to educate their children, whether it's faith-based or simply promotes a specialized style of education, by allowing families to use public funds to offset private school tuition.

"We value options in everything else that we do," Chris Brunson, associate executive director of INPEA, said. "You go to the grocery store and there are 40 types of yogurt, right?"

When it was passed in 2011, it only applied to those making a certain amount — less than **\$60,000 for a family of four**. But in 2023, the state **expanded eligibility** to 400% of the free and reduced lunch income limit — meaning a family of four making up to **\$230,880** could qualify..

Now vouchers are more available, some students already enrolled in private schools have begun taking advantage of the funds, sparking criticism that the program is subsidizing wealthy families.

Another sticking point for voucher program opponents is a lack of financial transparency. Private schools, unlike public schools, aren't required to make their records public or hold public meetings.

Brunson, however, doesn't see it that way.

"While public schools are directly accountable to a board that is elected by the public, non-public schools are directly accountable to the parents, who control those dollars," he said.

Private schools still have to be transparent about student outcomes to receive voucher funds, Brunson said, reporting metrics like enrollment, attendance and test scores to **Indiana's Graduates Prepared to Succeed dashboard**.

Cost-effective, or shorting public education?

Choice advocates also claim the voucher program saves money because per-student amounts for voucher students are 90% of the public school amount, meaning fewer funds are appropriated per private student than they are for public students. Private schools don't receive property tax dollars, either, Brunson said.

But property taxes have been going up in districts across the state as public schools issue referendums. The Monroe County Community School Corporation, for instance, has asked for property tax increases twice since 2022. Phil Downs, former superintendent of Southwest Allen County Schools, said the referendums are a direct response to an inadequate budget.

Downs became obsessed with understanding how schools are funded after he struggled to find straight answers as a superintendent.

For nearly a decade, Downs has pulled data from Indiana Department of Education reports and the U.S. Census to determine how much money public schools are losing out on. While the voucher program doesn't take money directly from public schools, it comes from the same budget as public school funds — the Tuition Support Budget, which represents per-student funding of every public student and 90% of the per-student funding for voucher students. Each district's share of the money depends on its percent of the entire state's enrollment.

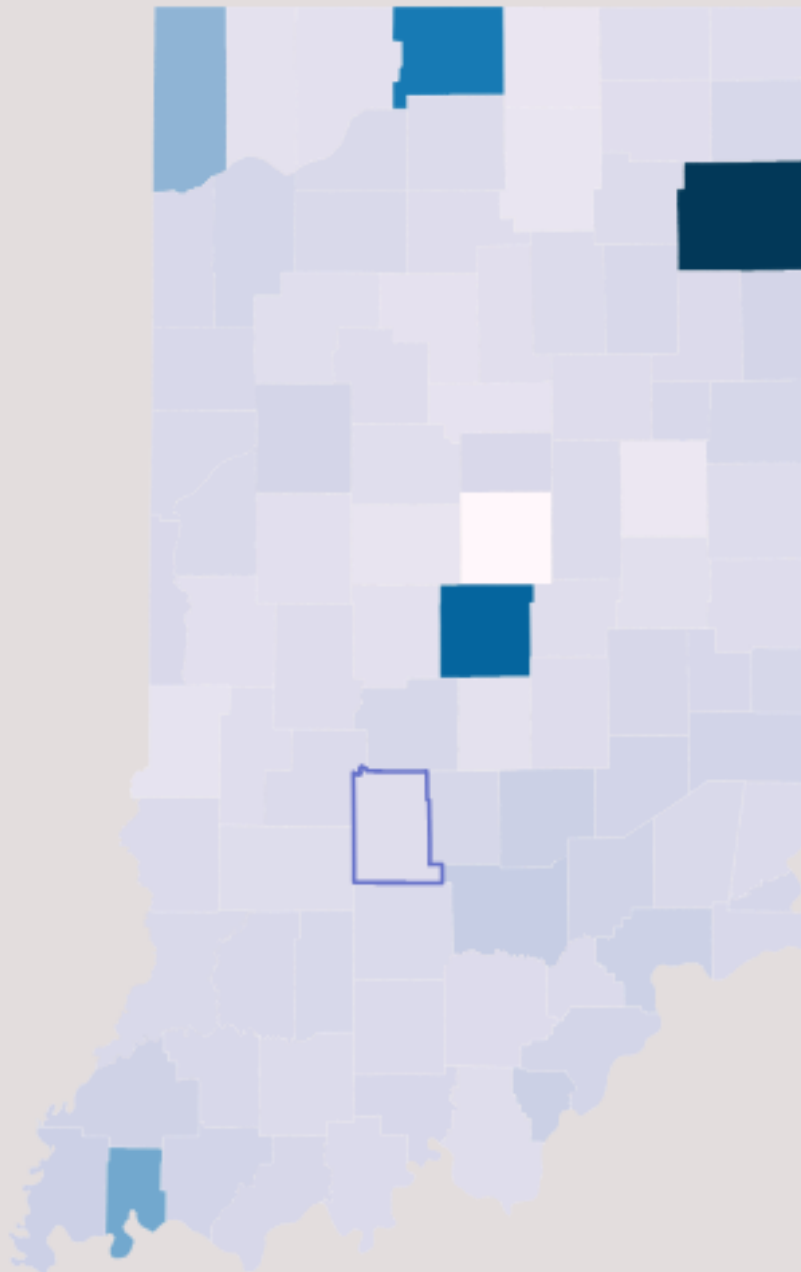
Downs' work calculates the amount each district would receive if the voucher program did not exist and the funds were instead used to increase per-student funding for public students. That discrepancy is then used to determine what counties are winning or losing economically from the program.

Though public education funds aren't typically associated with a county's economy, schools are often engines of growth in their communities, **providing jobs** and contracting with local businesses. Downs' calculations show a stark separation between rural and urban communities when it comes to the economic advantages of the voucher program. While urban areas like Marion or Allen County saw millions of public funds flow into their communities as a result of the program, rural and suburban areas would benefit if voucher funds were instead appropriated for public schools or if the county had more voucher students bringing in money.

Voucher program sees public funds flow to urban economies while the rest of the state loses out

Counties with a negative economic impact would benefit if voucher funds were added to the per-student public school funds, or if the county increased the number of students participating in the voucher program.

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Source: Data analysis was conducted by former superintendent of Southwest Allen County Schools Dr. Phil Downs using Indiana Department of Education data for 2024-2025. The economic impact was calculated by multiplying the per-student amount for the voucher program times the number of voucher students in each county, minus the basic grant loss from the portion of the Tuition Support Budget that goes to private schools. This data was visualized and verified by Marissa Meador

“So if you're a small rural legislator from, say, Northwest Indiana, Plymouth area or like maybe Huntington County or some places like that, voting for the voucher program pulls money out of your community,” Downs said. “And they do it anyway.”

The discrepancy likely comes from the fact private schools with an enrollment greater than 500 are concentrated in urban areas, according to the IGPS dashboard.

Both MCCSC and Richland-Bean Blossom Community School Corporation are losing out because of the voucher program according to Downs’ data, with an economic impact of \$1,403,408 and \$628,640, respectively. That means Monroe County is missing out on \$2 million in public funds that would otherwise be flowing to its economy.

Coupled with the fact the budget is falling short of what it would have been had it kept up with inflation, every student is working with less, he said. In 2010, the budget was \$6.42 billion; this current year’s budget is \$9.03 billion. It’s an increase, but it hasn’t kept up with rising costs — what a dollar could buy you in 2010 will now cost you \$1.46, making \$9.37 billion a more inflation-adjusted budget.

“The pie is shrinking, and there are a lot more kids eating that shrinking pie, so everybody’s slice is smaller,” Downs said.

A ‘slow bleed’

Fourth grade Shelbyville teacher Teresa Meredith began her more than three-decade career at a Catholic school, and she firmly believes faith-based education has a place in Indiana.

“What I’m opposed to is taxpayer dollars being how that religious education is funded,” Meredith said.

A former Indiana State Teachers Association president, Meredith has been suspicious of the voucher program since its inception.

When it was initially passed as a House Bill **co-authored** by Indianapolis Republicans Rep. Bob Behning and Brian Bosma, the program was presented as a way to help children stuck in overwhelmed inner city schools by giving them another option, Meredith said. At the time, she and other advocates felt there was an ulterior motive beyond simply giving low-income kids a choice.

“We felt like this was opening Pandora's box and that once you go down this path, Representative (Bob) Behning and his groups intended truly for this to be for anyone and everyone,” she said. “And that's what it's turned into.”

When enrollment decreases for public schools, whether it's for the voucher program or otherwise, the district loses money. But losing just a few students doesn't justify closing a classroom or firing a teacher, Meredith said, forcing schools to make do with less.

The result, Meredith said, is a "slow bleed" of money for public schools.

Methodology

Data referenced in this story was drawn from Phil Downs, whose work can be viewed on his [website](#). The Indiana Daily Student verified Downs' data with its source material, which spanned from Indiana Department of Education reports to the U.S. Bureau of Labor Statistics CPI calculator.