

# Opinion

## Tax dollars are wasted in states with school vouchers

By JOHN SCHAAF

Like salmon swimming home to spawn, lobbyists are again roaming the hallways of the Kentucky State Capitol.

This year, big-dollar lobbyists representing corporate-run private schools and churches are pushing House Bill 208 to change the state's constitution to allow politicians to throw billions of tax dollars into private and religious schools.

The bad news is, other states are trying this risky experiment and it's busting their budgets and turning into welfare for wealthy people and churches.

For example, Indiana's government is forcing every taxpayer to pay for private schools, and pandering Hoosier politicians are diverting \$500 million a year into vouchers. Ninety-nine percent of that voucher money is going to religious schools.

So, if private school lobbyists in Frankfort have their way, every time a Kentuckian buys a toaster, a Big Mac, or a Ford or Toyota, a portion of the sales tax will go to church-based schools, which generally pay NO taxes and want a public handout to shore up dwindling revenue.

Indiana is a tragic example of a state that started a voucher program aimed at low-income families, but now gives vouchers worth about \$6,000 per child to



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families with incomes up to \$220,000 per year. Most voucher recipients were already attending private schools before government swooped in and forced taxpayers to cover those costs.

Likewise, Florida now offers taxpayer-funded \$8,000 private school vouchers to every school-aged kid, regardless of family income.

When it was signed into law last year, it was estimated that Florida's "vouchers for everybody" would cost between \$200 and \$700 million a year. However, once this school year started with everybody eligible, the cost exploded, and is now estimated at between \$2.8 and \$4.2 billion, and about 70 percent of the new recipients were already attending private schools before vouchers.

As a gift (and re-election tool) from Florida politicians, individual voucher recipients can now spend taxpayer money on "instructional materials" such as theme park tickets, 55-inch TVs, video game consoles, skateboards, foosball tables and surfboards.

Meanwhile, Florida ranks 48th in teacher pay, and has about 12,000 teacher and support staff vacancies in its traditional public schools.

Another lobbyist-created disaster is looming in Arizona, where that state's voucher program is estimated to cost taxpayers over \$943 million in the current school year (creating a \$319 million deficit for the 2024 fiscal year), and more than 53 percent of all new education spending is going to only eight percent of Arizona students.

In Arizona and other states where taxpayer vouchers are being spread around like manure on a pig

farm, there's minimal accountability or transparency for the use of taxpayer money in private schools. There's little or no auditing of private school finances, testing of students, standards for teachers, or parental rights as there are in public schools.

That's because private school lobbyists pushed through legislation in those states that creates a shocking transfer of taxpayer money to churches and corporations that operate schools without rules – many hastily created, fly-by-night operations that can reject or dismiss any student they don't want, or close without notice, leaving families in the lurch.

"We know that academic instability, bouncing around between schools, school closures, are really bad for children," said Josh Cowen, a Michigan State University researcher who's studied the impact of vouchers on students. "The last four voucher evaluations have shown test score drops from kids who moved from public to private school that are on par with what Hurricane Katrina did to learning rates in New Orleans – and more recently what Covid-19 did to test scores after exams began to resume."

The Kentucky Constitution protects taxpayers from the high-risk experiment of taxpayer-funded school vouchers. The state shouldn't change that so politicians can gamble with Kentuckians' hard-earned money.

John Schaaf is an attorney and co-author of "The Hidden History of Kentucky Political Scandals." He can be emailed at [John.Schaaf1975@gmail.com](mailto:John.Schaaf1975@gmail.com)

## Don't mistake ending Kentucky's income tax for a valid economic strategy

By JOHN YARMUTH  
[kentuckylantern.com](http://kentuckylantern.com)

My brother has been very successful in the barbecue restaurant business. (Full disclosure: I am a passive investor in his company.) Politically, he was always what I call a Rockefeller Republican, pro-business and progressive on social issues. He tended to vote Republican primarily because he wanted to pay less tax and viewed the GOP as the low-tax party.

So it was surprising when, in the summer of 2008, he called me and said, "John, you'll be happy to know that Judy (his wife) and I are maxing out (contributing the maximum legal amount) to Obama's campaign, and we're voting for all Democrats this year."

"That's great, Bob," I replied. "What was your epiphany?"

"I finally figured out that if no one can afford barbecue, it doesn't matter what my tax rate is," he said.

I have told that story hundreds of times, because it makes an important point: The amount of taxes you pay depends on how much money you make, and the tax rate is not the only thing that determines your tax bill.

Kentucky Republicans are bound and determined to eliminate the state income tax. They have already



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cut it from 5% to 4%, and they enacted legislation to take it lower and eventually to zero. Many people will think this is fine, even when they are told that the state could lose a third or more of its revenue and inevitably be forced to raise money in other ways, like higher sales taxes.

The argument for lowering Kentucky's tax rate is always the same: We are in competition for business with states like Tennessee that have no income taxes. Of course, as in many other cases, tax cutters ignore both reality and common sense.

Underlying every argument for cutting taxes is the intuitively compelling suggestion that people make momentous life decisions based primarily on financial considerations. More specifically, proponents of lower taxes argue that businesses make decisions based on tax conditions. Neither is true.

Yes, sometimes very wealthy people make decisions that factor in tax rates. People sometimes move their legal residence to Florida because that state has no estate tax (neither does Kentucky) and no income tax. But do you really believe that someone with an income of \$1 million would make a major life move just to save the \$40,000 they would owe Kentucky? I've talked to many of them, and when you boil it down, they just wanted to have a warm place to visit in the winter.

Does anyone really believe that a business would make a multi-million or billion dollar decision in order to save even a few million on their taxes? According to the Tax Foundation, Tennessee has the 23rd highest corporate tax rate in the country. Kentucky's is 34th. And all this time we thought we had

to lower our personal income tax to beat the Vols! Really?

The Tax Foundation recently released its 2024 "State Business Tax Climate Index." The top five (lowest corporate tax burden) include Wyoming, South Dakota, Alaska and Montana (Florida is the other). Not exactly economic powerhouses. Which five states are the "worst"? The highest corporate tax burdens are in New Jersey, New York, California, Connecticut and Massachusetts. Which states do you think have more corporate headquarters?

My father was a very good businessman. He built what was once the second largest public company in Kentucky. He did it when the top federal income tax rate was 70% and the corporate tax rate was as high as 52%. If you wanted to get rich or richer, you did what it took to bring in more money, because the tax rate was high. You didn't decide not to make another dollar because you could only keep 30 cents.

In other words, as much as he would have liked to pay lower taxes, my father made business decisions because they would generate more revenue, not because they would lower his tax payments. So as the Kentucky General Assembly meets this year and there are the inevitable Republican efforts to lower tax rates, just remember this: It's a useful and sometimes effective political move to push for lower taxes; it's just not a valid economic strategy.

John Yarmuth served as U.S. representative for Kentucky's 3rd Congressional District from 2007 to 2023. He was chairman of the House Budget Committee from 2019-2023.

## Letter to the Editor

### Central City area volunteers made Operation Christmas Child a success

Generosity throughout Central City contributed to a successful shoebox gift collection season at drop-off locations for the Samaritan's Purse project Operation Christmas Child. Across the U.S., the project collected 10 million shoebox gifts in 2023. Combined with those collected from partnering countries in 2023, the ministry is now sending over 11.3 million shoebox gifts to children worldwide, including many who are suffering from war, poverty, disease and disaster.

Through shoeboxes packed with fun toys, school supplies, and personal care items, Central City area volunteers brought joy to children in need around the world. Each gift-filled shoebox is a tangible

expression of God's love, and it is often the first gift these children have ever received. Through the continued generosity of donors since 1993, Operation Christmas Child has collected and delivered more than 220 million gift-filled shoeboxes to children in more than 170 countries and territories.

Across Kentucky, shoebox packers often shop for deals on shoebox items throughout the year, and many serve at a deeper level by becoming a year-round volunteer. Information about ways area participants can get involved year-round can also be found at [samaritanspurse.org/occ](http://samaritanspurse.org/occ) or by calling 937-374-0761.

Although local drop-off locations for shoebox

gifts are closed until Nov. 18 – 25, 2024, anyone can still be a part of this life-changing project by conveniently packing a shoebox gift online in just a few simple clicks at [samaritanspurse.org/buildonline](http://samaritanspurse.org/buildonline).

These simple gifts, packed with love, send a message to children worldwide that they are loved and not forgotten.

Sincerely,

Dolores Brown  
Samaritan's Purse  
Boone, North Carolina

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