



### Educational Choice



#### The Issue

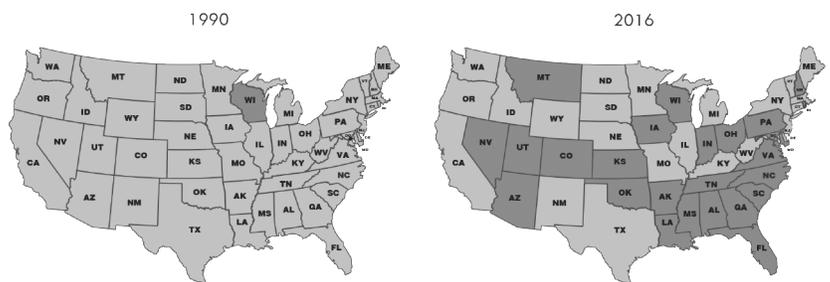
A majority of states have some form of private school choice. Texas has none. Every Texas child should be afforded the opportunity to select the educational options which best suit his or her individual needs.

Texas is behind many states in educational opportunity. In 2015, Nevada passed the most comprehensive choice program in the nation to allow almost every student in the state the freedom to select the best educational program for his or her own educational needs through an Education Savings Account (ESA) program. An ESA is innovative because it can be used for a variety of educational expenses throughout a school year, including therapy, tutoring, test fees, textbooks, transportation expenses, or tuition. In addition, families can roll-over unused ESA dollars from one school year to the next. Funds remaining upon graduation can be used for higher education. Modeled after Health Savings Accounts, the ESA concept provides an offset to many of the third-party pay problems inherent in education today. The figure at right illustrates how ESAs might work.

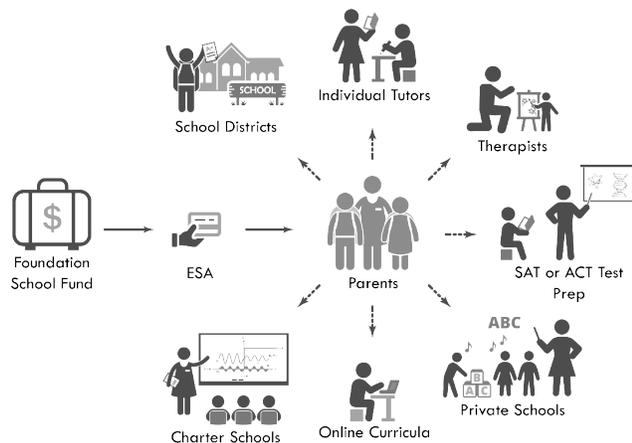
Half the nation's state legislatures have established school choice. ESAs have been established by legislatures in Nevada, Arizona, Tennessee, Mississippi, and Florida. Nevada's program is the leading model because of its near-universal availability. Nevada students are eligible for the program if they have been enrolled in public schools for 100 days prior to receiving the ESA. Students receive one of two possible ESA amounts: students who have disabilities or are eligible for the Federal Free and Reduced Price Lunch Program will receive about \$5,700 in the 2015-16 school year; all other ESA students receive about \$5,100. In Arizona, which has had an ESA since 2011, parents have taken full advantage of the program's flexibility. About one-third of ESA funds are expended on multiple items; in other words, a sizable number of parents choose not to use the entire ESA on tuition. In addition, when Arizona parents were given the option to roll-over unused dollars and spend them on future educational expenses—such as college tuition—they rolled-over an average of 30% of their ESA allotment.

Student performance improves as a result of educational choice. According to the Friedman Foundation, of 12 empirical studies on this topic, 11 found that student achievement improved and one found no measurable impact. Choice also has improved public school performance. Of 23 empirical studies surveyed by the Friedman Foundation, 22 found that public schools improve when students are allowed a choice. Only one found no measurable improvement. What follows is a summary of social science research on this topic; citations to these studies are contained in *Texas School Finance: Basics and Reform* (p. 58):

The Spread of Educational Choice, 1990-2016



Reformed Flow of Funds through ESAs



- A 1998 peer-reviewed study by MIT scholars found that math scores of Milwaukee school choice participants improved by 1.5-2.3 percentage points.
- A 1999 peer-reviewed study by UT Austin and Harvard scholars found that, in Milwaukee, reading scores of students in the fourth year of their choice program had improved by 6 percentile points; math scores improved by 11 points.
- A 2002 study by Stanford economists found that programs in Wisconsin, Michigan, and Arizona improved public school district achievement in Reading, Math, Science, and Social Studies.
- A 2003 peer-reviewed study by scholars at Johns Hopkins, Columbia, and Harvard found a 3-percentile point increase in math scores for African-American children and stated that choice programs have “greater potential benefit for children in lower-scoring schools.”
- A 2001 study by Education Next (a non-profit journal) found that choice students in Charlotte, NC, scored 5.9 percentile points higher on math tests and 6.5 percentile points higher on reading tests.
- A 2010 peer-reviewed study from Harvard University scholars found that New York public school students in choice programs improved their math and reading scores. Math scores of students who came from low-performing public schools increased by 4-5%; reading scores increased by 2-3%.
- A 2010 study by the Federal Department of Education found that the school choice program in Washington, D.C. had no impact on student test scores, but increased high school graduation rates from 70% to 82%.
- A 2008 peer-reviewed *Policy Studies Journal* article confirmed the reading score improvement from the 2001 *Education Next* study, but did not find a change in the math scores.
- A 2006 Brookings Institution study found that African-American students in Washington, D.C., Dayton, OH, and New York, NY, scored 6 percentile points higher on their Iowa Tests than students who remained in their former school.
- A 2012 joint study by the Brookings Institution and Harvard University looked at New York's school choice program. They found that college enrollment by African-American school choice students increased by 25%. They also found that African-American enrollment in selective colleges (which have an average SAT of 1100 or greater) more than doubled.

### The Facts

- Universal educational choice could lead to an additional 65,000 students graduating from high school each year as opposed to dropping out of school.
- Public schools will improve with the implementation of universal choice.
- Universal choice will drive up teacher pay as schools divert more funds to classrooms—where they have the greatest effect on students.

### Recommendation

- Promote educational excellence in Texas by adopting ESAs for all Texas students, and establish a variety of educational choice alternatives.

### Resources

[\*The Education Debit Card II: What Arizona Parents Purchase with ESAs\*](#) by Lindsey Burke (Feb. 2016).

*ESA Handbook: A Parent's Guide*, Arizona Department of Education (Aug. 2014); and [\*ESA Parent Handbook\*](#) by the Nevada State Treasurer (Jan. 2016).

[\*Texas School Finance: Basics and Reform\*](#) by Michael Barba, Kent Grusendorf, Vance Ginn, and Talmadge Heflin, Texas Public Policy Foundation (March 2016).

[\*2015-2016 National School Choice Yearbook\*](#), American Federation for Children (April 2016).

[\*How School Choice Affects the Achievement of Public School Students\*](#) by Caroline Hoxby, Hoover Institution Press (2002).

[\*Evaluation of the DC Opportunity Scholarship Program: Final Report\*](#) by Patrick Wolf, Babette Gutmann, Michael Puma, and Brian Kisida, U.S. Department of Education (June 2010).

[\*School Choice and Climate Survey\*](#), Grand Prairie ISD (Dec. 2014).

[\*How ESAs Can Keep Texas the Land of the Free and Home of the Brave\*](#) by Kent Grusendorf and Nate Scherer, Texas Public Policy Foundation (Jan. 2016).

[\*Moral Case for School Choice\*](#) by Michael Barba and Kent Grusendorf (Sept. 2014).