



Innovation in Choice



The Issue

In 23 states across the nation, there have been 10 distinct programs allowing school choice: Scholarship Tax Credits, School Vouchers, Charter Schools, Education Savings Accounts, Homeschooling, Virtual Schools, Individual Tuition Tax Credits, Magnet Schools, Public School Choice, and Course Choice. These programs promote opportunities for children who would otherwise not have choices in their education.

Texas is behind these states in school choice. Neighbors to the North and East have outpaced Texas. In 2010, the Oklahoma state legislature established the Lindsey Nicole Henry Scholarship Act, a program that would allow special needs children to receive a grant that would follow them to the school of their parent's choice. The grant is valued at either 100% of the state and local public school funding for each child or the tuition and fees of the private school in which the child becomes enrolled. In Louisiana, two broader programs were enacted in 2008 and 2010. In 2008, the state created a program that allowed students who are 1) from low-income families or 2) who attend a school rated C, D, or F or 3) who are entering kindergarten, to receive funding to attend the school of their choice. Funding is equal to the lesser of state and local per-pupil funding or the tuition and fees of the new school. The program has proved popular, with enrollment increasing from 640 children in 2008 to 6,775 children in 2013. In 2010, Louisiana created a program similar to Oklahoma's, which allows special needs children to transfer to the school of their choice. In both programs, all schools comply with nondiscrimination laws.

Our neighbors to the West are also expanding their school choice programs. Arizona is leading the educational choice movement with a variety of options for parents, including Tuition Tax Credit Scholarships, open enrollment charter schools, and Empowerment Scholarship Accounts. (ESAs) An ESA, which is unique to Arizona, allows parents to customize their child's education according to how they learn. ESAs were established in 2011, and give more freedom to parents than any other educational choice program in the entire country. There is not a specific funding appropriation. Rather, parents are given funds by the state to pay for private school tuition, online curriculum, home schooling, tutors, or therapists. The cap on Scholarships is equal to 90% of the charter school per-pupil base funding. Approximately 5,500 new students can receive an ESA each year. ESAs are currently available to students with special needs, children in failing schools, foster children, and children from active duty military families. ESAs are also available to students who were attending public school and then transferred to a qualified private school. Several other eligibility expansion proposals are being considered by Arizona legislators, including eligibility by income and automatically qualifying children of first responders. This would open up the ESA program to half of Arizona's student population. The program is now being considered by legislators in Oklahoma, Iowa, and Mississippi.

The Facts

- 83% of principals and 78% of teachers identify addressing the individual needs of diverse learners as challenging or very challenging, according to a 2013 national survey of educators.
- Since 1990, 18 states, Washington D.C., and Douglas County in Colorado, have established private school choice programs for a total of 23 states which now have some form of private school choice.
- Since 2000, enrollment in school choice programs has increased from 29,003 students to 308,560 students.
- A total of \$1.2 billion has been expended for private school choice programs: \$662 million for Vouchers, \$551 million for Scholarship Tax Credits, \$10.2 million for ESAs, and \$275 million for Special Needs Scholarship Programs.
- The average scholarship amount to private school choice programs is \$3,780. However, the average cost differs by program: for Vouchers it's \$6,210; for Scholarship Tax Credits it's \$2,282; for ESAs it's \$13,000; for Special Needs Scholarships it's \$7,025.

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Recommendations

- Consider all forms for expansion of private school choice in order to better serve Texas students and make the system of public free schools more efficient.
- Commission an independent third party to study the efficiency and productivity of K-12 education, with a focus upon gains that can be won through greater competition and supply side change.

Resources

School Choice Yearbook 2013-14: Hope. Action. Results by Matt Frendewey, et. al., Alliance for School Choice (2014).

Oklahoma May Become Second State to Offer Education Savings Accounts by Kathlyn Shirley, The Heartland Institute (Apr. 2014).

The MetLife Survey of the American Teacher: Challenges for School Leadership by Dana Markow, et. al., MetLife, Inc. (Feb. 2013).

The Education Debit Card: What Arizona Parents Purchase with Education Savings Accounts by Lindsey Burke, The Friedman Foundation (Aug. 2013).

Education Savings Accounts: Questions and Answers by Jonathan Butcher, Goldwater Institute (Mar. 2012).

How Teachers in Texas Would Benefit from Expanding School Choice by Joseph Bast, et. al., The Heartland Institute (Apr. 2011).

