

# POLICY BRIEF

## **Eighteen states have expanded school choice programs to benefit children and families**

Liv Finne, Director, Center for Education

November 2021

### **Key Findings**

1. In just one year, lawmakers in 18 states have acted to serve parents and children better by expanding access to education choices.
2. These expansions to school choice could nearly quadruple the number of students across the country with access to alternative learning, from the current 608,000 to an estimated 2,204,000 students.
3. These programs operate on the same moral principle used in subsidized housing: providing public funds to give families choices in paying for private housing.
4. SB 5200, introduced in the State Senate in 2021 by Senator Mark Schoesler would have offered \$15,000 tax credit scholarships to help the families of special needs students and students in foster care, pay the cost of private schools.
5. HB 1215, introduced in the State House of Representatives in 2021 by Representative Vicki Kraft would have provided 130,000 families up to \$7,000 each in Education Opportunity Scholarships in the form of an individualized Education Savings Account.
6. Both of these school choice bills were killed in committee.
7. Washington state lags behind the nation in offering families school choice.
8. Washington policymakers should take a more forward-looking, open-minded approach to removing barriers to a wider array of learning options for children.



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# Eighteen states have expanded school choice programs to benefit children and families

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## Introduction

In March of 2020, parents of Washington’s 1.1 million schoolchildren faced an unprecedented problem when Governor Jay Inslee, using emergency powers, unilaterally closed all public schools in response to COVID-19.

All schools were closed for a time, but by September 2020 most private schools and charter public schools re-opened to in-person instruction using health safety procedures. Meanwhile, most traditional public schools remain shuttered for the remainder of 2020 and much of the 2021 academic year.

Many traditional public school parents were angry and frustrated by the loss of learning opportunity for their children, especially as families with access to learning alternatives soon returned to academic study.

Public school officials provided delayed and weak online instruction, but districts proved unprepared for remote learning and shifted most of the burden to parents. Further, stout union opposition kept Washington schools closed longer than in other states. Washington state ranked near the bottom, or 47th, in the nation in reopening schools to in-person instruction.

In response to the crisis, caring lawmakers in many states sought to provide families with broader learning options, by either expanding existing school choice programs or initiating new ones. Across the country enrollment in alternative schooling programs soared.

## School choice expansion in other states

Currently, 29 states, the District of Columbia, and Puerto Rico offer families a generous array of 66 different private school choice programs. These programs typically help families by providing a publicly-funded Education Savings Account, a tax credit scholarship or a fully-funded student learning voucher.<sup>1</sup>

The expansion of state choice programs could nearly quadruple the number of students across the country with access to alternative learning, from the current 608,000 to an estimated 2,204,000 students.<sup>2</sup>

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1 “The ABCs of School Choice,” by *EdChoice*, 2021 Edition, at <https://www.edchoice.org/wp-content/uploads/2021/03/2021-ABCs-of-School-Choice-WEB-2-24.pdf>.

2 “How Big Was the Year of Educational Choice?” by Jason Bedrick and Ed Tarnowski, *Education Next*, Fall 2021, at <https://www.educationnext.org/how-big-was-the-year-of-educational-choice/>.

This study provides reports on this forward-looking educational trend at the state level, providing a summary of the enactment of seven and the expansion of 21 school choice programs across 18 states. The data on the expansion of school choice has been collected by the non-profit research organization Ed-Choice.<sup>3</sup>

## The three main types of school choice programs<sup>4</sup>

Education Savings Accounts allow parents to use public funds placed in a government-authorized savings account to access learning services for their children. The funds are accessed for authorized purposes with a debit card, subject to follow-up auditing by state education officials. Funds must be used for education purposes and can include online programs, one-on-one tutoring, private tuition, community college costs, higher education expenses, textbooks and other materials, and customized child learning services.

Student vouchers allow parents to direct their children's public education funding to flexible learning resources that best serve each child. Families do not receive cash but can authorize certified learning resources, including private schools and individual tutoring, to receive public reimbursement for services provided. Typically, individual student vouchers are funded at a lower level than the per-student funding provided to a state-run school.

Tax credit scholarships allow taxpayers to receive full or partial tax credit for money donated to a non-profit service organization that provides scholarships to students. Eligible taxpayers can include individuals, groups or businesses, while funded scholarships can include access to private tuition, tutoring, online programs, community colleges and individualized learning services.

## School choice programs enacted in 2021

This section describes the seven state-based school choice programs, with their bill numbers, that were enacted in 2021 to provide broader education access for families.<sup>5</sup>

### Arkansas (SB 680)

Arkansas lawmakers created a new tax-credit scholarship program that provides funding to low-income families to help with private school tuition. The average scholarship amount will be \$5,830 per student. This sum is based upon 80 percent of Arkansas' funding per student in grades K-8, and 90 percent of funding per student for high school students.

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3 "The ABCs of School Choice," *EdChoice*, 2021 Edition, at <https://www.edchoice.org/wp-content/uploads/2021/03/2021-ABCs-of-School-Choice-WEB-2-24.pdf>.

4 These definitions are provided by "The ABCs of School Choice," *EdChoice*, 2021 Edition, at <https://www.edchoice.org/wp-content/uploads/2021/03/2021-ABCs-of-School-Choice-WEB-2-24.pdf>, pages 3 and 4.

5 The following is a summary of research provided by the non-profit organization EdChoice. Specific sources for all the following content are provided in Footnotes 3 and 4, above.

The program has an overall funding cap of \$2 million, enough funding for 310 scholarships, a tiny percentage of the total student enrollment in Arkansas schools. The choice scholarships will function as a pilot program since the level of scholarship funding is far short of the number of families that want one.

#### Indiana (HEA 1001)

Indiana lawmakers created a new Education Savings Account program for low-income students with special needs. Indiana's program provides the new Accounts with 90 percent of what the state would have spent on a particular child at a public school, including additional funding for special needs students. Since this per-student amount can vary widely, it is unknown how much the average ESA will contain.

The legislature has appropriated \$10 million of the 2022-23 year for this program; at \$7,500 per student, it could serve up to 1,300 students.

#### Kentucky (HB 563)

Kentucky legislators created a new tax-credit Education Savings Account for low-income families living in the state's eight largest counties. The state has placed a \$25 million cap on tax credits granted on contributions to non-profit scholarship-granting institutions. About 4,940 students will receive the maximum amount of \$4,700 in these accounts, depending upon family income.

#### Missouri (HB 349)

Missouri lawmakers created a popular tax-credit Education Savings Account for low-income families. The state has funded \$25 million in tax credits. Assuming that all eligible students take the maximum allowed amount of about \$6,375, that is enough funding for the education of 3,640 students.

#### New Hampshire (HB 2)

New Hampshire legislators created an Education Savings Account program for low-income families or about one-third of the families in the state. Full funding is provided for each eligible student who applies, up to the maximum of 65,000 students.

#### Ohio (HB 110)

Ohio lawmakers created a new tax-credit scholarship program that gives priority to children from low-income families. Taxpayers can receive up to \$750 in dollar-for-dollar tax credits for contributions to scholarship-granting organizations. Based on the experience of Arizona which has a similar program, it is estimated that about 5,000 to 7,500 Ohio students will receive scholarships next year.

### West Virginia (HB 2013)

West Virginia legislators enacted a near-universal Education Savings Account program. Ninety-three percent of West Virginia's 295,000 K-12 students are eligible. The accounts will be funded at the level the state provides on average for the education of each child, or about \$5,000.

## **Educational Choice Programs that were expanded in 2021**

This section describes the 14 states, with bill numbers, that expanded a total of 21 existing school choice programs in 2021 to provide greater education choice to families.

### Arizona (SB 1828)

Arizona lawmakers passed SB 1828 to expand by \$1 million the tax credits available under Lexie's Law for Disabled and Displaced Students that was enacted and implemented in 2009. The average scholarship is funded at \$5,304. About 190 additional students could receive scholarships, for a state total of about 1,130 scholarship students.

### Arkansas (HB 1446)

Arkansas has an existing program, the Succeed Scholarship program, which provides private school vouchers to students in foster care and to students with disabilities.

Arkansas lawmakers passed HB 1446 to expand this program to include the children of active-duty or reserve members of the U.S. military, and to appropriate \$4.5 million for the program, an increase of \$1.2 million over the previous year. The number of students benefitting from school choice is now about 710 students. The average scholarship is \$6,325.

### Florida (HB 7045)

Florida has five popular private school choice programs. They are so popular with low-income families and families with special needs children that these programs have among the highest number of participating families in the nation.

Florida's tax credit scholarship program gives low-income families access to private school scholarships, each with an average value of \$6,346. Last year, roughly 104,000 students benefitted from Florida's tax credit scholarship program.

Florida also has a voucher program of \$5,955 each in average value for low- and middle-income families, previously capped at 46,889 students for the 2020-21 school year.

Florida lawmakers responded to the COVID emergency by passing HB 7045, which merges and expands the tax credit scholarship and voucher programs, now known as the Family Empowerment Scholarship for Educational Options. HB 7045 expands the tax credits to allow about 130,000 students to be eligible to receive

tax-credit scholarships in the coming year. The law also allows vouchers to grow by one percent of the state's total public school enrollment each year, so the maximum number of vouchers will be 75,573 students in 2021-22.

HB 7045 also expands eligibility for the Family Empowerment Scholarship by eliminating the prior-year public school enrollment requirement for students. Additionally, students who are in foster care or out-of-home care, are dependents of active-duty members of the U.S. Armed Forces, or are siblings of students receiving a Family Empowerment Scholarship are not required to meet the income eligibility requirements.

Florida also has two other private school choice programs for students with special learning needs. In 2020 the Gardiner Scholarship, which was launched in 2014, provided 17,000 families an average Education Savings Account of \$10,515. The second scholarship program, the McKay Scholarship, was started in 1999. In 2020 the McKay scholarship provided 27,000 special needs students an average voucher value of \$7,754 per student. These scholarships have brought hope and success to thousands of Florida students.<sup>6</sup>

In 2021, lawmakers merged the Gardiner and McKay programs into a new Education Savings Account program, now called the Family Empowerment Scholarship for Students with Unique Abilities. The two programs will serve about 49,000 students in 2021-22.

In addition to these four private school choice programs, in 2018 Florida lawmakers created the Hope Scholarship program. This program allows purchasers of new cars to donate up to \$105 of the transaction's sales tax to scholarship-granting organizations that give victims of bullying in public schools a scholarship to attend a private school. This choice program currently serves 393 students, providing scholarships worth an average of \$7,169 each.

In total, Florida has made 250,000 students, or about six percent of the state's K-12 students eligible to receive either a voucher, education savings account or tax-credit scholarship next year.

### Georgia (SB 47)

Georgia has a Georgia Special Needs Scholarship voucher program, which in 2020 served 5,203 students with special needs. The value of the average voucher is \$6,800.

Lawmakers passed SB 47 to expand eligibility to include students with several conditions not previously covered, including attention deficit hyperactivity disorder, cerebral palsy and cancer.

The program provides funding for every eligible student who applies for a scholarship, so the maximum participation level is at least 200,000 students or 10 percent of Georgia's two million K-12 students.

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<sup>6</sup> See March 6, 2015, Youtube video by mother Katie Swingle, who thanked Florida lawmakers for the private school voucher Florida gave her autistic son: <https://www.youtube.com/watch?v=5aOGbosjhHY>.

### Indiana (HEA 1001)

Indiana has two programs that grant private school scholarships to low-income students: a voucher and tax-credit scholarship. In 2020, 36,000 students received a voucher with an average value of \$4,707. In 2020, 10,012 students received a tax-credit scholarship, each with an average value of \$2,279.

Lawmakers expanded eligibility for both these programs, and increased the tax-credit cap by \$1 million, to \$17.5 million, for the tax credit scholarship program.

### Iowa (HF 847)

Iowa has a tax credit scholarship program which in 2020 allowed 12,538 low-income students to benefit from tax-funded scholarships to pay private school tuition based on parent choice.

Lawmakers increased the tax credits available through the state's tax-credit scholarship policy to \$20 million, up from \$15 million. The average scholarship value is about \$1,400, so the scholarship organizations could provide an additional 2,560 scholarships, assuming they raise the additional \$5 million and hold the average scholarship value constant.

### Kansas (HB 2134)

Kansas has a tax-credit scholarship program to help families that choose to send their children to private school, now serving 632 students.

Lawmakers expanded eligibility for this program to include students in grades K–8 from families earning up to the eligibility level for the federal free and reduced-price lunch program, or 185 percent of the federal poverty line (\$49,025 for a family of four in 2020–21). Previously, students had to be assigned to one of the 100 lowest-performing schools in the state. Now, about 23 percent of Kansas families are income-eligible for the scholarships.

If the scholarship-granting organizations raise enough funds to hit the \$10 million tax-credit cap, and if the average scholarship size remains constant at \$3,157, then about 4,070 scholarship students will benefit from the program.

### Maryland (HB 588)

Maryland has a voucher program to help low-income students attend private school. These vouchers are known as Maryland's Broadening Options and Opportunities for Students Today (BOOST). The BOOST vouchers served 3,071 students in 2020.

This year Maryland's legislature, controlled by large Democratic majorities, fully funded the program at \$10 million for the first time in the program's history. During the 2020–21 academic year, the amount budgeted for the vouchers was \$7.37 million and there were 3,071 participating students. Since the average voucher size is \$2,008, the additional \$2.63 million in funding could provide vouchers for about 1,310 additional students, for a total of 4,381 vouchers and students.



### Montana (HB 279)

Montana has a tax-credit scholarship program providing an average scholarship of \$500. It serves only 15 students. The program is not limited to low-income students but is available to all Montana's K-12 students. Montana's program withstood an important constitutional challenge in the U.S. Supreme Court decision *Espinoza v. Montana Department of Revenue*, which held that the 19th century, anti-Catholic Blaine Amendment in Montana's state constitution could not be used to shut down the program. The program was ruled legal because it offered tax-funded scholarships to parents to send their children to private, religious schools based on the parents' choice, not government direction.<sup>7</sup>

HB 279 made it significantly easier for scholarship organizations to raise money by increasing the per-donor tax credit cap to \$200,000 from \$150. In 2022, there will be \$1 million in tax credits available, which will increase to \$2 million the following year and then increase by 20 percent each year after that.

It is expected that scholarship sizes will increase as scholarship organizations are able to raise more money. The maximum scholarship value is about \$5,500, so it is possible that 150 additional students will be offered access to private school in 2021-22 based on parent choice, for a total of 165 scholarship students.

### Nevada (AB 495)

Nevada has the Educational Choice Scholarship program which gives tax credit scholarships to low-income children to pay the cost of private school tuition. Currently, the program is serving 1,000 students, who receive scholarships worth \$6,474 each on average.

In 2021, lawmakers passed AB 495 to expand the state's Educational Choice Scholarship program by increasing the amount of tax credits available by nearly \$5 million. The bill also made important technical improvements that will allow scholarship-granting organizations to serve more children. The additional funds could provide scholarships for about 750 additional students, for a state total of about 1,800 students.

### Ohio (HB 110)

Ohio has five educational choice programs to help families who want learning choices pay the cost of private school tuition. Ohio's Educational Choice Scholarship program provides tax-funded private school vouchers to 34,487 students who reside in districts with chronically underperforming public schools, with priority given to low-income families. The vouchers are worth up to \$4,650 each in grades K-8, and \$6,000 each in grades 9-12.

In 2021, lawmakers passed HB 110 to expand eligibility for the Educational Choice Scholarship program to include students living in foster care and kinship care as well as the siblings of students who had received a scholarship in the

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<sup>7</sup> *Espinoza v. Montana Dept. of Revenue*, 591 U.S. \_\_\_\_ (2020). Case No. 18-1195, at [https://www.supremecourt.gov/opinions/19pdf/18-1195\\_g314.pdf](https://www.supremecourt.gov/opinions/19pdf/18-1195_g314.pdf).

previous academic year. The bill also phases out the requirement that students attend public school in the prior year, starting with students in grades K–2.

Ohio also has the Income-Based scholarship program, which provides vouchers of \$4,158, on average, to 12,954 students. HB 110 removed the previous cap of 60,000 students on the Education Choice and Income-Based scholarships, but it is not clear how many new students will be eligible as a result of these changes.

Ohio also has the Cleveland Scholarship Program, which currently gives 7,173 students living in Cleveland an average voucher worth \$5,025 per student.

Ohio has the Autism Scholarship Program. This program provides 4,107 autistic students with vouchers worth, on average, \$23,844 each. Parents who choose to can spend the vouchers on education services from a private provider, and on private school tuition, for the benefit of their children.

Ohio has the Jon Peterson Special Needs Scholarship Program. This program provides 6,858 students with special needs vouchers each worth, on average, \$10,499. Parents can spend these vouchers on education services from a private provider, and on private school tuition.

#### Oklahoma (SB 1080)

Oklahoma offers its families Equal Opportunity Education Scholarships, a tax-credit scholarship for low-income and middle-class students, or for any student living in the attendance zone of a public school designated by the state as “in need of improvement.” In 2019, 2,555 students received an average scholarship of \$2,017 each to attend a private school selected by their parents.

In 2021, lawmakers expanded this program by raising the total amount of tax credits to \$25 million, up from \$3.5 million. Assuming the same average scholarship size, the program could provide funding for about 14,200 additional students.

Oklahoma also has a voucher program, called the Lindsey Nicole Henry Scholarship for Students with Disabilities, which gives 996 students with special needs, and children living in foster care, a voucher with an average value of \$7,056 each to attend private school.

#### Pennsylvania (SB 381)

Pennsylvania offers the Educational Improvement Tax Credit, a tax-credit scholarship program for low-income and middle-class students, and for middle-class students with special learning needs. The average value of the scholarship is \$1,990, and the program provided private school scholarships to 45,882 students in 2020.

Lawmakers passed SB 381, which expands the tax credits available via the Educational Improvement Tax Credit. Assuming the same average scholarship size, and based on past modifications to the program, it is estimated that 13,000 more students will receive scholarships, in addition to the 45,882 existing scholarships available.

### South Dakota (SB 175)

South Dakota has a tax-credit scholarship program for low-income students. The average value of each scholarship is \$1,957, and 863 students currently receive one of these scholarships.

In 2021, lawmakers expanded this program by removing the requirement that students first spend a year in a public school before being eligible for a scholarship. There was no funding increase in the program, so that number is not expected to change significantly.

### **School choice proposals in Washington state**

Lawmakers in other states have created dozens of choice programs to help families educate their children in private schools, particularly for low-income families assigned to underperforming public schools, and for families with special needs children. The 2021 COVID school shutdowns inspired lawmakers across the country to expand these programs, and create new ones. These programs operate on the same moral principle that is used in subsidized housing. Public money funds rental vouchers that allow families broad choices in paying for private housing.

By contrast, in 2021 Washington's lawmakers blocked two bills that would have helped families pay for education services from the private sector when public schools had failed them.

SB 5200, introduced by Senator Mark Schoesler (R-Ritzville), would have offered \$15,000 tax credit scholarships to help the families of special needs students, and students in foster care, pay the cost of private schools. SB 5200 was blocked in committee by Senator Lisa Wellman (D-Mercer Island), who tends to represent the interests of the Washington Education Association union.

The teachers union in Washington state opposes all private school choice programs because they threaten the union's power and influence within the public school system.

The second bill was HB 1215, introduced by Representative Vicki Kraft (R-Vancouver). This bill would have provided 130,000 families up to \$7,000 each in Education Opportunity Scholarships in the form of an individualized Education Savings Account. This bill was also blocked in committee.

The primary form of school choice in Washington state is the public charter school system. Currently, 4,030 students attend 14 charter schools, with two more due to open next year. In 2021, however, a majority of lawmakers moved to block the opening of any more charter schools by failing to renew the state's popular charter school law. The result is the Washington Charter School Commission has been denied the authority to approve any new charter schools applications submitted by Washington educators.

## Conclusion

When the traditional public schools fail to educate children, due to COVID mandates or for other reasons, it sparks wide interest in finding alternatives. The experience of other states indicates that school choice programs are popular because they give families the option of choosing a private school if it provides a learning benefit for children. In addition, school choice programs serve the public interest by helping to fulfill each state's obligation to provide access to a high-quality education for all children.

The findings of nationwide research show that elected leaders in Washington state lag behind the nation in offering families school choice, despite the widespread popularity of these programs. As innovative school choice programs become a routine and non-controversial part of the public education system in other states, Washington policymakers should take a more open-minded approach to removing barriers to a wider array of learning options for children.

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**Liv Finne** is the Director of the Center for Education at Washington Policy Center. She is the author of *An Option for Learning: An Assessment of Student Achievement in Charter Public Schools*, which in 2011 reignited the charter school debate in Washington state. She wrote “Why parents will love charter schools,” “Why teachers will love charter schools,” and many other publications during the 2012 public debate on Initiative 1240, the nation’s first charter school initiative. When charter schools came under attack from the state teachers union, she wrote “Analysis: Why the state supreme court ruling against charter schools is wrong.” She is also the author of Washington Policy Center’s widely-read education blog, and of Washington Policy Center’s Education Reform Plan: Eight Practical Ways to Improve Public Schools. Liv holds a law degree from Boston University School of Law and a Bachelor of Arts degree from Wellesley College. She retired from civil litigation practice to raise two children and work as business partner for a small business she owns with her husband. Liv is committed to improving public schools by expanding school options for all parents, regardless of their zip code, including charter schools, vouchers, online and other innovations in education.