

EdChoice 101

An introduction to the basics
of school choice

2021 EDITION



WELCOME TO EDUCATIONAL CHOICE

There are many different schooling options, and we welcome them all under the broad umbrella of choice. But not all educational choice programs are created equal. Public charter schools and public-to-public transfers, for example, have provided options within the traditional system, but those programs leave many schooling types off-limits for families.

Our goal as the nation's oldest school choice organization is to highlight and promote the programs that create the most pathways for students to lead successful lives. That's why we focus our efforts on three types of programs: education savings accounts (ESAs), vouchers and tax-credit scholarships. In the past, we also highlighted individual tax credits and deductions, but those programs are not far-reaching and tend to provide minimal financial assistance to families. They are included in this publication alongside 529 savings accounts, which also provide limited options.

We believe access should be universal and that all families should be able to find what works for their students—regardless of where they live or how much money they make. This guide will introduce you to the fundamentals of school choice and answer some basic questions about why and how these programs work.

EMPOWERING PARENTS

Any conversation about K–12 education should start with those who benefit from it: students and their families. We trust parents to know their kids, and we want to open the door to opportunities that will help those students learn and grow.

Far too often, the educational choice debate becomes about money and power when it should be about access and opportunity. The good news is that if families and students are given the funds, they can access options that work for them. And that's our ultimate goal. We want a K–12 system that doesn't walk, talk or act like a massive, unfair bureaucracy. It's not based on your ZIP code or your income, and it's not a faceless algorithm telling you what's best for your child. It's centered around each student's unique needs. We believe that when parents and families come first—and get the respect they deserve—our kids will always come out ahead.

Data updated **MAY 2021**

FEATURED TYPES OF SCHOOL CHOICE

Education Savings Accounts (ESAs)

Tax-Credit Education Savings Accounts

School Vouchers

Tax-Credit Scholarships

Individual Tax Credits and Deductions
and 529 Savings Accounts

OTHER TYPES OF CHOICE

Charter Schools

Magnet Schools

Inter/Intra-District Public School Choice

Homeschooling

Online Learning

Customized Learning

Town Tuitioning

Microschooling

Hybrid Home Schooling

OTHER TYPES OF CHOICE EXPLAINED

Charter Schools

Charter schools are independently run public schools exempt from many rules and regulations in exchange for increased accountability.

Homeschooling

Homeschooling is a form of education for children outside of public or private schools, typically within their own homes or co-ops. Homeschooling is regulated differently from state to state.

Hybrid Homeschooling

Hybrid homeschooling is an educational model where students split their time between homeschooling and a traditional classroom setting.

Inter/Intra-District Public School Choice

Sometimes referred to as open enrollment, inter-and intra-district choice laws allow families to choose traditional public schools other than the ones the government assigned based on their ZIP Codes.

Magnet Schools

A magnet school is a public school that offers specialized curricula and programs not available in traditionally assigned district public schools. Magnets are designed to attract students with a common interest or skill set, and students must apply and be accepted to enroll.

Microschooling

Microschooling is the reimagining of the one-room schoolhouse, where class sizes are usually fewer than 15 students of varying ages, and the schedule and curriculum is tailored to fit the needs of each class.

Online Learning

Online learning allows students to work with their curriculum and teachers over the internet—in combination with, or in place of, traditional classroom learning. Online schools can be public or private.

Personalized Learning and Learning Pods

Personalized learning is unique to every child. As an example, some students might use ESA or course choice programs to mix courses from public schools with privately tutored classes at home, online courses, special education therapies and a work-study internship. Some families have formed pods where small groups of children are taught a tailored curriculum at home by parents, tutors or hired teachers.

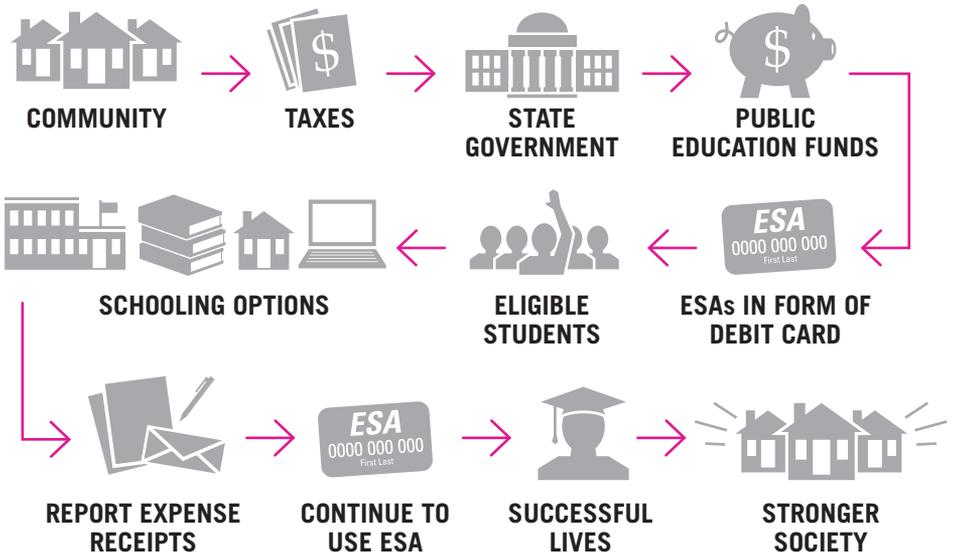
Town Tuitioning

Town tuitioning allows students who live in towns that don't have district public schools to receive their per-pupil education tax dollars to pay tuition at a neighboring town's public school or a private school of their choice.

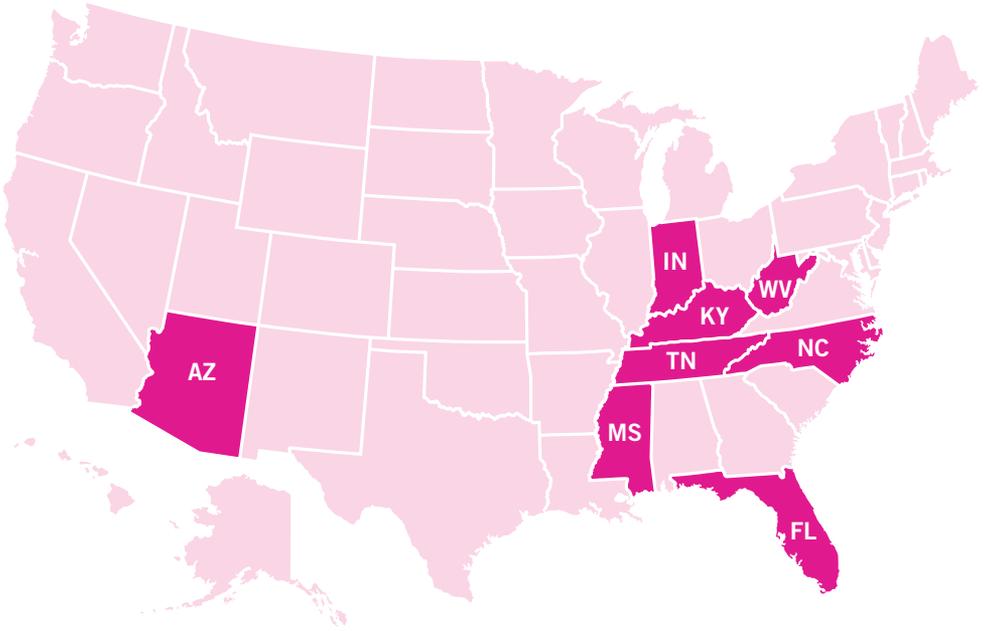
EDUCATION SAVINGS ACCOUNTS (ESAs)

ESAs allow parents to withdraw their children from public district or charter schools and receive a deposit of public funds into government-authorized savings accounts with restricted, but multiple, uses. Those funds—often distributed to families via debit card—can cover private school tuition and fees, online learning programs, private tutoring, community college costs, higher education expenses and other approved customized services and materials. Some ESAs, but not all, even allow students to use their funds to pay for a combination of public school courses and private services.

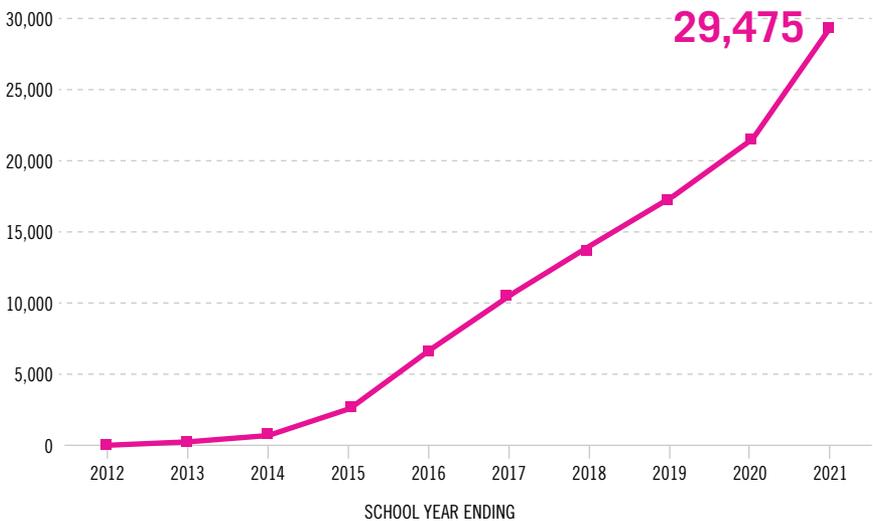
HOW ESAs WORK



8 STATES HAVE EDUCATION SAVINGS ACCOUNTS 29,475 STUDENTS USE ESAs NATIONWIDE



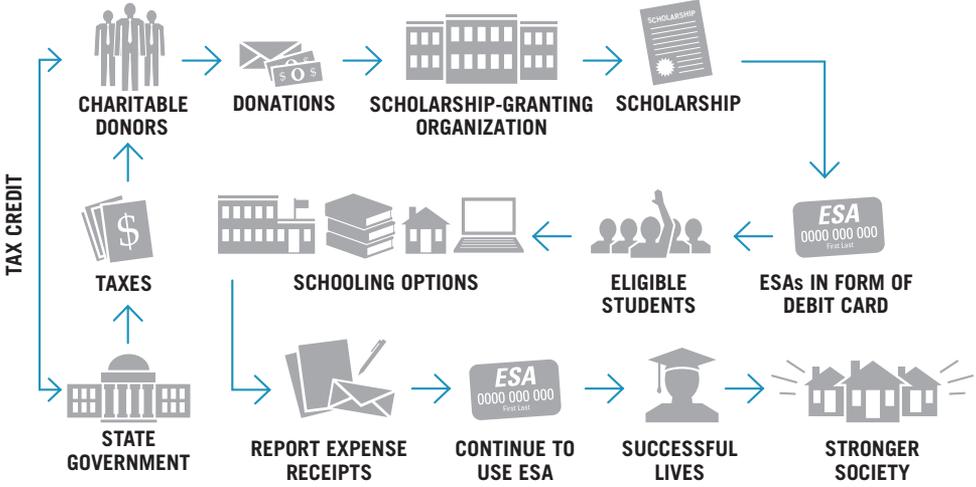
NUMBER OF STUDENTS USING ESAS



TAX-CREDIT EDUCATION SAVINGS ACCOUNTS (ESAs)

Tax-credit ESAs function the same way as publicly funded ESAs from a family's perspective, but their funding stream is different. Tax-credit ESAs allow taxpayers to receive full or partial tax credits when they donate to nonprofit organizations that fund and manage parent-directed K-12 education savings accounts. Families may use those funds to pay for multiple education-related expenses, including private school tuition and fees, online learning programs, private tutoring, community college costs, higher education expenses and other approved customized learning services and materials, and roll over unused funds from year to year to save for future educational expenses. Some tax-credit ESAs, but not all, even allow students to use their funds to pay for a combination of public school courses and private services.

HOW TAX-CREDIT EDUCATION SAVINGS ACCOUNTS WORK



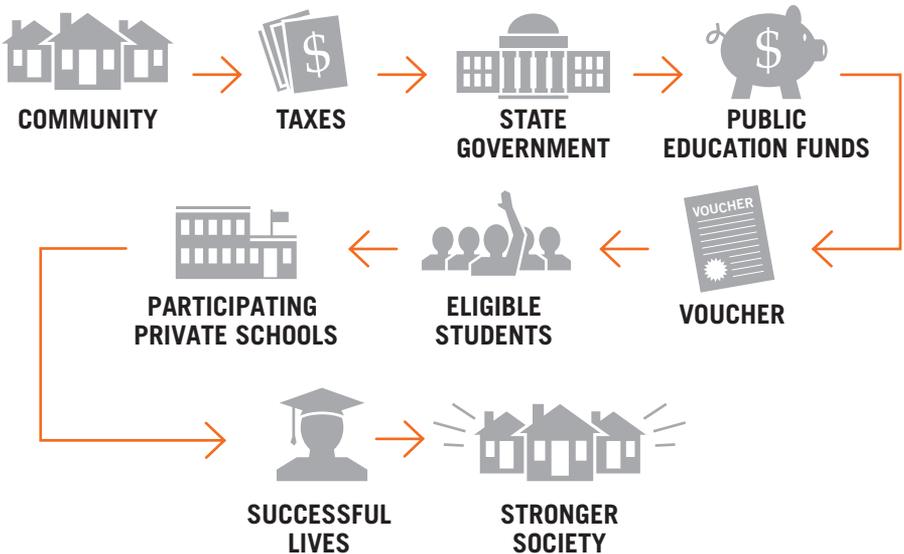
ONE STATE CURRENTLY HAS A TAX-FUNDED ESA PROGRAM.
IT IS NOT YET OPERATIONAL.



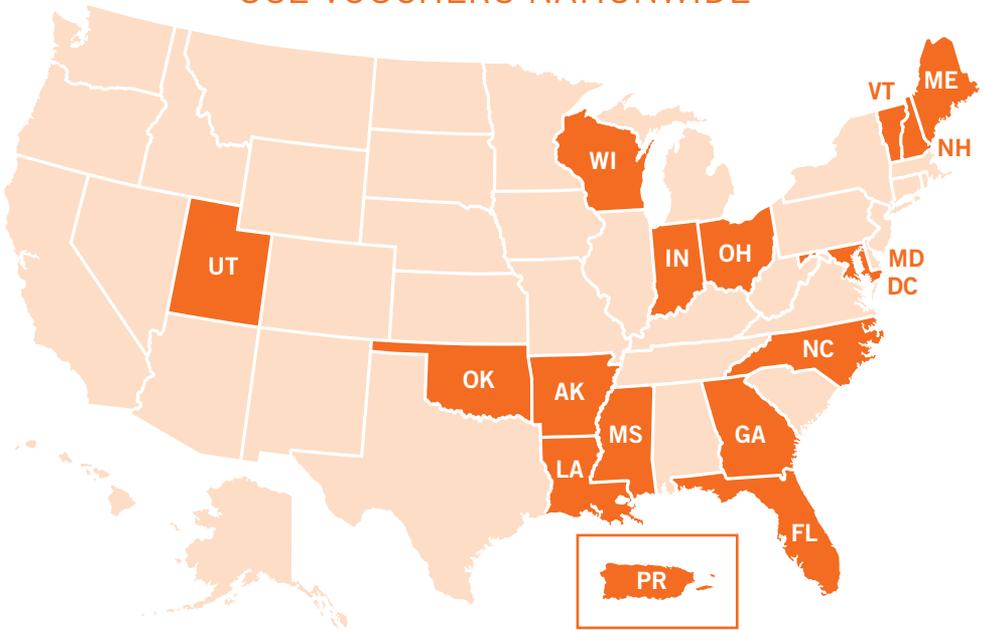
SCHOOL VOUCHERS

Vouchers give parents the freedom to choose a private school for their children, using all or part of the public funding set aside for their children's education. Under such a program, funds typically expended by a school district would be allocated to a participating family in the form of a voucher to pay partial or full tuition for their child's private school, including both religious and non-religious options.

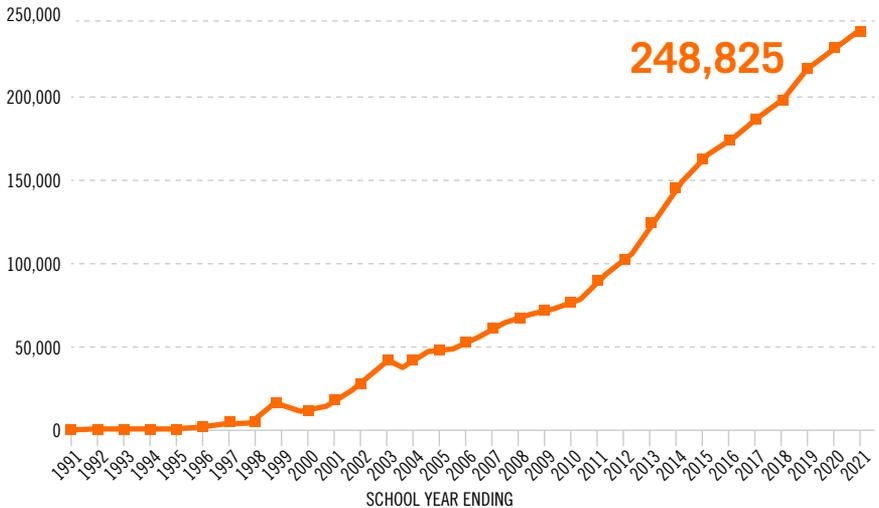
HOW VOUCHERS WORK



15 STATES, D.C. AND PUERTO RICO HAVE SCHOOL VOUCHERS 248,825 STUDENTS USE VOUCHERS NATIONWIDE



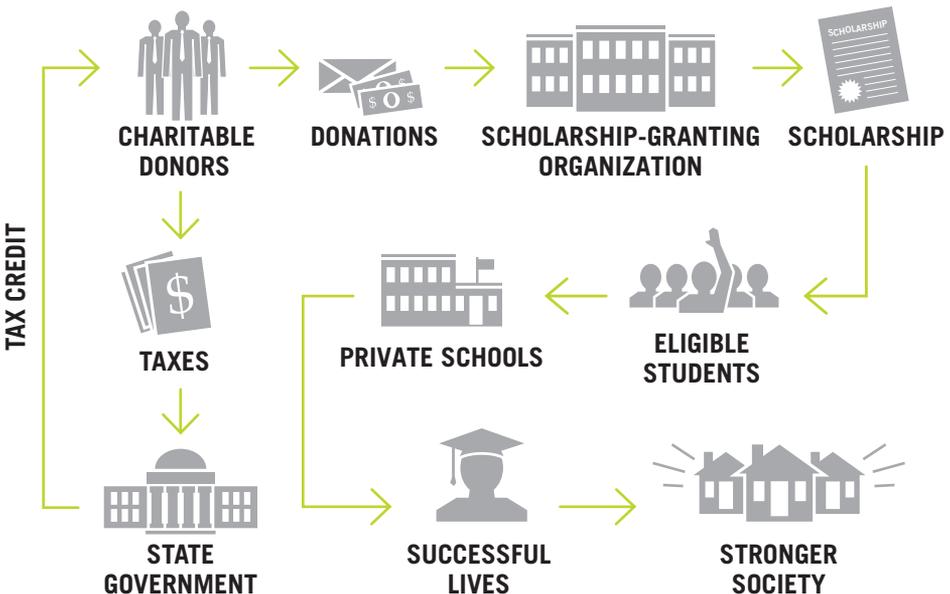
NUMBER OF STUDENTS USING VOUCHERS



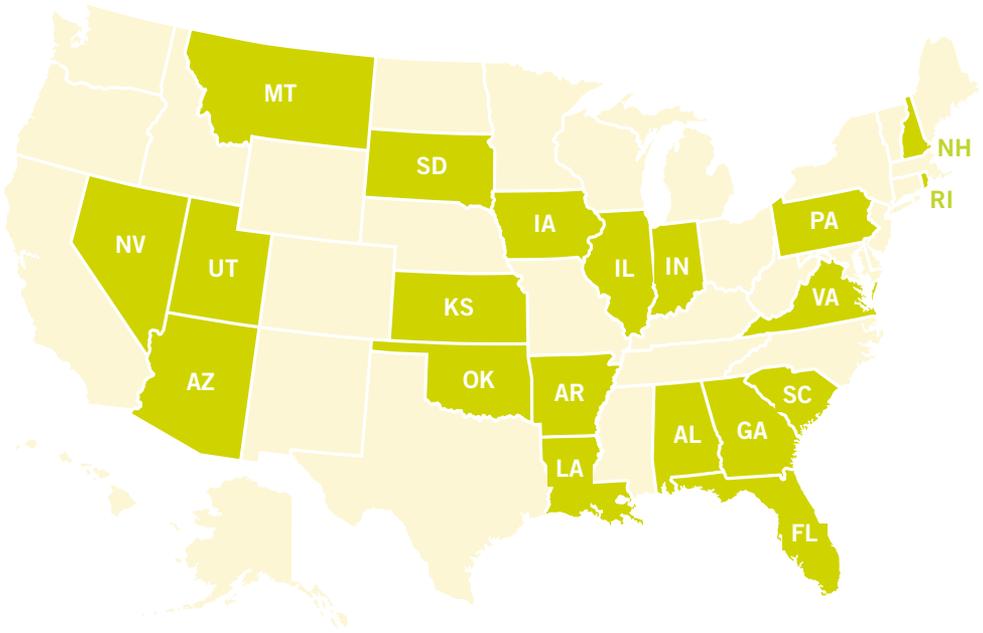
TAX-CREDIT SCHOLARSHIPS

Tax-credit scholarships allow taxpayers to receive full or partial tax credits when they donate to nonprofits that provide private school scholarships. Eligible taxpayers can include both individuals and businesses. In some states, scholarship-giving nonprofits also provide innovation grants to public schools and/or transportation assistance to students who choose alternative public schools.

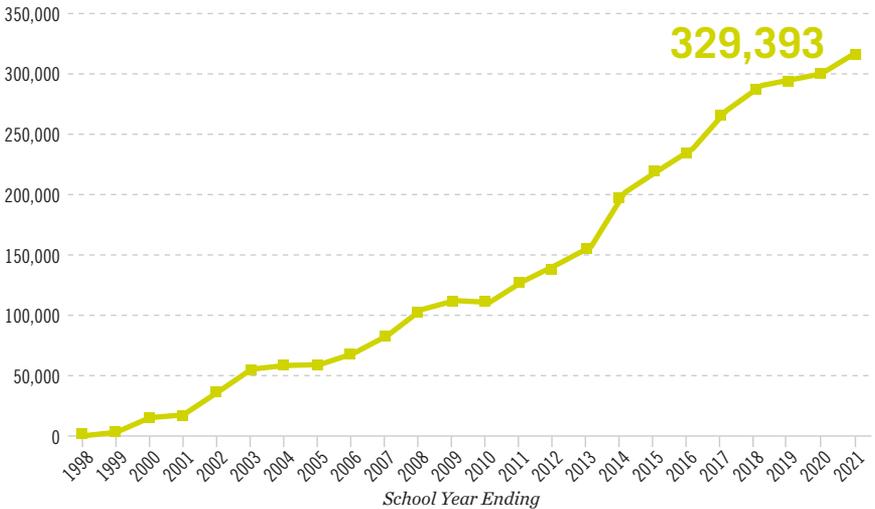
HOW TAX-CREDIT SCHOLARSHIPS WORK



20 STATES HAVE TAX-CREDIT SCHOLARSHIPS 329,393 STUDENTS USE SCHOLARSHIPS NATIONWIDE



NUMBER OF TAX-CREDIT SCHOLARSHIPS AWARDED



INDIVIDUAL TAX CREDITS AND DEDUCTIONS and 529 SAVINGS ACCOUNTS

529 SAVINGS ACCOUNTS

A 529 savings plan is a specialized savings account designed to help families save money to pay for future educational expenses. 529 plans are sponsored by states, state agencies or educational institutions and are authorized by Section 529 of the Internal Revenue Code.

Most commonly, parents or other relatives start a 529 plan with a child as the beneficiary, which means the money is to be used for the child's education, but the parent or other account custodian actually controls the funds.

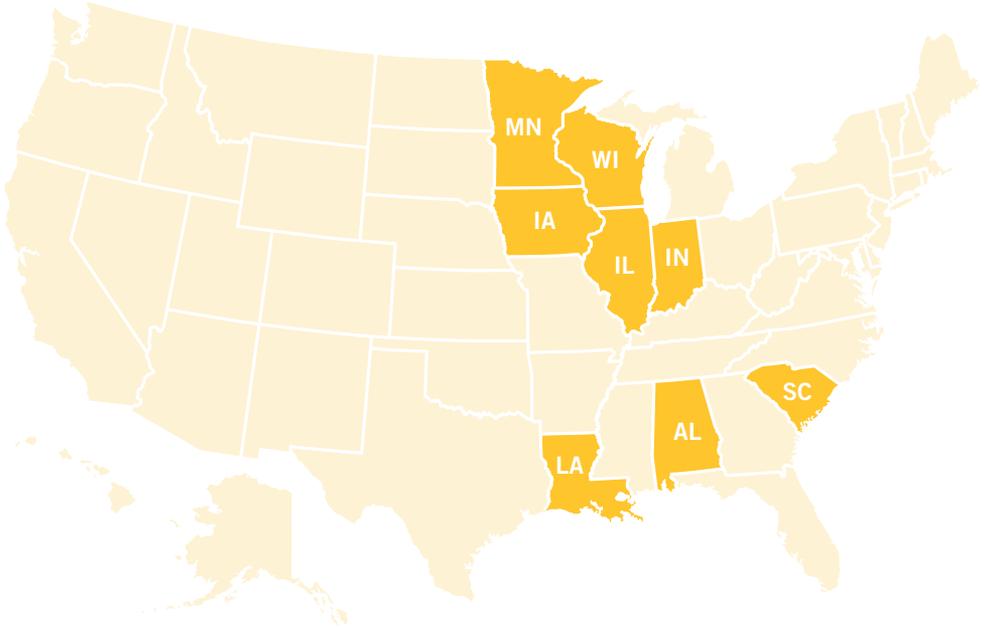
These plans historically operated as college savings accounts. The Tax Cuts and Jobs Act, passed in 2017, expanded the allowable uses of these accounts to include up to \$10,000 in annual private K–12 tuition expenses. That's why we are including them.

The expansion to include K–12 expenses could be helpful for some parents who want to send their children to private elementary or secondary schools, but it's important to note that these plans are only available to those with money to invest—they are not a substantive school choice program where public funds set aside for a child follow that child to the educational setting that works best for him or her.

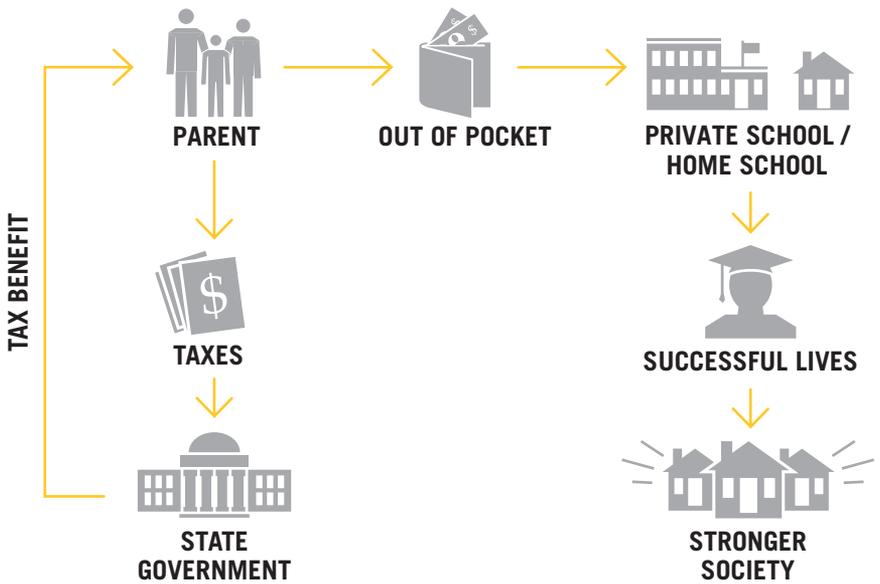
INDIVIDUAL TAX CREDITS AND DEDUCTIONS

Individual tax credits and deductions allow parents to receive state income tax relief for approved educational expenses, which can include private school tuition, books, supplies, computers, tutors and transportation.

8 STATES HAVE IND. TAX CREDITS AND DEDUCTIONS
423,278 STUDENTS USE IND. TAX CREDITS NATIONWIDE
376,045 STUDENTS USE IND. TAX DEDUCTIONS NATIONWIDE



HOW INDIVIDUAL TAX CREDITS AND DEDUCTIONS WORK



FREQUENTLY ASKED QUESTIONS

Q What do people think about school choice

A American parents want access to a more diverse set of educational options than they can get in our current K–12 system. Our most recent polling found that while more than eight out of 10 American students attend public district schools, only about three out of 10 parents said they would choose a traditional district school as a first choice. But don't take our word for it: National polling by *Education Next* and *USA Today* has shown growing support for school choice over the past decade, with the strongest support among Millennials.

Q How does educational choice affect school funding?

A When a student leaves a school—regardless of type—the school doesn't have to educate that student. When any school gains or loses students, it must adjust accordingly, and schools shouldn't get paid for students they don't educate. The most-used form of school choice in America is when families access a particular school by renting or buying a home in their desired district or utilize public-to-public transfer programs that allow them to attend a school outside the district where they live. The biggest question policymakers have to answer when it comes to K–12 funding is whether the money set aside to educate children should follow them to the people and places that educate them—whether that's in their district, outside their district, in a private setting, online or at home.

Q Does school choice cause segregation?

A America's public schools are more segregated today than they were when *Brown v. Board of Education* was decided. School choice actually reverses that trend by breaking down geographic and socioeconomic barriers that disproportionately affect communities of color. The research shows that students in school choice programs attend more integrated schools than their public school counterparts, and vouchers are moving students into private schools that are substantially less segregated than public schools.

Q Are these programs legal?

A School choice is constitutional at the federal level and in most states, as long as policies and programs are designed properly. The U.S. Supreme Court has made it clear that public funding can be allocated to a family to spend on a child's K–12 schooling, including for faith-based education. Some states have constitutional language prohibiting the use of taxpayer dollars to support faith-based schools, but these provisions have been challenged federally and at the state level.

Q How are schools held accountable?

A Accountability is better left in the hands of families than bureaucrats, and we know that parents care far less about test scores than they do about students having access to quality instruction in a safe, nurturing schooling environment that reflects their values. That said, state policymakers have the ability to design school choice programs that represent the will of their citizens, and those programs can include state-based or nationally norm-referenced tests, health and safety requirements and other regulations. Ultimately, we trust families to know what's best for their kids.

Q What about students with special needs?

A School choice empowers families with students who have special needs to find what works for them. In fact, many school choice programs across the United States have been designed specifically to serve special needs students because they are often get left behind when they are assigned to a school under the traditional system.

The most popular and flexible form of choice is education savings accounts or ESAs, which allow families to tailor schooling options beyond tuition—for example, with specialized therapy or tutoring. ESAs represent the next wave of school choice and can be particularly helpful for students with special needs who require customized learning opportunities. It's important to note that families of students with special needs are informed of their rights when they opt into non-traditional programs.

THE THREE PILLARS OF **ed**CHOICE



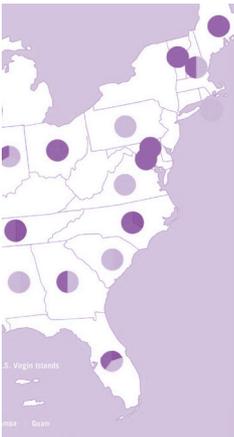
RESEARCH AND THOUGHT LEADERSHIP

We invest in state and national research to deliver the most up-to-date information on school choice. Our research focuses on how private school choice programs affect students, families, schools and communities. Our research team is dedicated to high-quality research methods and transparency. Visit our website to search our online library of research reports.



TRAINING AND OUTREACH

We train state and national advocates to understand school choice research, develop a message, run successful educational campaigns and more. Whether you're a legislator, parent organizer or grassroots supporter, we've got lots of ways we can help you spread. Visit our website to learn more about the types of trainings we offer or to request an EdChoice Expert to speak at your next event.



STATE SUPPORT

We are on the ground supporting coalitions in key states that are driving high-quality educational choice. More states than ever are advancing expansive educational choice programs, and our team is here to help. If you want to learn more about what's happening in your state, our website delivers—in great detail—information about educational choice programs.

WHO WE ARE

EdChoice is a nonprofit, nonpartisan organization dedicated to advancing full and unencumbered educational choice as the best pathway to successful lives and a stronger society. We're not another stuffy think tank. We believe that families, not bureaucrats, are best equipped to make K-12 schooling decisions for their children, and we work primarily at the state level to educate diverse audiences, train advocates and engage policymakers on the benefits of educational choice. EdChoice is the intellectual legacy of Milton and Rose D. Friedman, who founded the organization in 1996.

WHAT WE DO

It takes an army of passionate advocates equipped with high-quality research to make school choice a reality. Our mission-driven work breaks down into three categories: providing original research and data analysis; bringing choice-minded folks together for trainings and outreach events; and investing resources in states that embrace the idea that families should be in the driver's seat when it comes to K-12 education.

You can learn more about our work at edchoice.org, where we regularly publish new reports, policy briefs and blog posts. You also can find and download specific information about school choice in your state and how you can become more involved.

EDCHOICE.ORG



facebook.com/EdChoice



youtube.com/EducationalChoice



twitter.com/EdChoice



instagram.com/EdChoice



TikTok/edchoice.official

2021 EDITION



111 MONUMENT CIRCLE
SUITE 2650
INDIANAPOLIS, IN 46204
317 681 0745

EDCHOICE.ORG