EdChoice 101
An introduction to the basics of school choice

2020 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 JANUARY 2020
FEATURED TYPES OF SCHOOL CHOICE

- Education Savings Accounts (ESAs)
- School Vouchers
- Tax-Credit Scholarships
- 529 Savings Accounts and Individual Tax Credits and Deductions

OTHER TYPES OF CHOICE

- Charter Schools
- Magnet Schools
- Inter/Intra-District Public School Choice
- Homeschooling
- Online Learning
- Customized Learning
- Town Tuitioning
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

COMMUNITY → TAXES → STATE GOVERNMENT → PUBLIC EDUCATION FUNDS

SCHOOLING OPTIONS

ELIGIBLE STUDENTS

ESAs IN FORM OF DEBIT CARD

REPORT EXPENSE RECEIPTS → CONTINUE TO USE ESA → SUCCESSFUL LIVES → STRONGER SOCIETY
5 STATES HAVE EDUCATION SAVINGS ACCOUNTS
21,884 STUDENTS USE ESAs NATIONWIDE

NUMBER OF STUDENTS USING ESAS

- 2012: 0
- 2013: 21,884
- 2014: 21,884
- 2015: 21,884
- 2016: 21,884
- 2017: 21,884
- 2018: 21,884
- 2019: 21,884
- 2020: 21,884

SCHOOL YEAR ENDING
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.
15 STATES, D.C. AND PUERTO RICO HAVE SCHOOL VOUCHERS 218,007 STUDENTS USE VOUCHERS NATIONWIDE

NUMBER OF STUDENTS USING VOUCHERS

217,910

SCHOOL YEAR ENDING
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.
18 STATES HAVE TAX-CREDIT SCHOLARSHIPS
299,171 STUDENTS USE SCHOLARSHIPS NATIONWIDE

NUMBER OF TAX-CREDIT SCHOLARSHIPS AWARDED

0 50,000 100,000 150,000 200,000 250,000 300,000 350,000


SCHOOL YEAR ENDING
529 SAVINGS ACCOUNTS and INDIVIDUAL TAX CREDITS AND DEDUCTIONS

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

PARENT ➔ OUT OF POCKET ➔ PRIVATE SCHOOL / HOME SCHOOL ➔ SUCCESSFUL LIVES ➔ STRONGER SOCIETY

TAX BENEFIT ➔ TAXES ➔ STATE GOVERNMENT
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 national survey 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.

A relatively new 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 edChoice

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.

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