



JASON FURMAN

Leading economists defend free economy

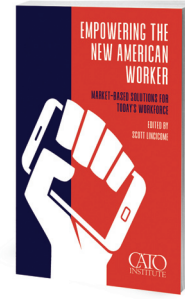
PAGE 5



KEMI BADENOCH

Promoting free markets in the UK and U.S.

PAGE 9



EMPOWER WORKERS

Handbook for pro-liberty policies

PAGE 16

Cato Policy Report

JANUARY/FEBRUARY 2023. VOL. XLV NO. 1

Has School Choice Turned the Corner?

BY NEAL MCCLUSKEY

In 2017, Arizona passed a law that would have made every child in the state eligible for an education savings account (ESA), money a child’s parents could use not only for private school tuition but also for tutoring, therapies, and more. It elicited an immediate counterattack: signature gathering for a ballot initiative to reverse the expansion, spearheaded by a group called Save Our Schools Arizona. The effort, unfortunately, had great success, easily gathering the signatures needed to put repeal on the ballot—it got more than 111,000 signatures—and trouncing the expansion, 65 to 35 percent.

Fast-forward to 2022. In July, Arizona governor Doug Ducey signed into law another universal ESA. Immediately, Save Our Schools sprang into action, launching another signature campaign to strike down the law. Said Beth Lewis, the group’s director, “Arizona voters will be eager to reject HB 2853 (Universal ESA Voucher Expansion) once and for all . . . sending a clear message to national privatizers that Arizona voters overwhelmingly support

public schools and want our lawmakers to prioritize them.”

But something happened on the way to re-smacking down choice. Despite the group’s confidence, Save Our Schools failed to secure the needed number of signatures to reach the ballot, with the estimated total coming in under 89,000—far short of both what was needed and the 2017 tally.

That was great news for Arizona. But what about the national school choice movement? Is what happened in the Grand Canyon State an aberration or the leading edge of educational freedom turning from exception to norm?

In recent years, we have seen remarkable growth in private school choice programs. In 2021 alone, 19 states created new programs or expanded existing ones—far more than any previous year. The total number of programs went from 65 to 76. By one estimate, the 2021 expansion opened 1.6 million new choice slots, not including changes to North Carolina’s ESA enacted late in the year. Arizona’s 2022 universal expansion adds about 1 million more new slots, bringing the total to 2.6 million. To put that in perspective, in the 2020–21 school year, 660,085 students were

Continued on page 6

NEAL MCCLUSKEY is the director of the Cato Institute’s Center for Educational Freedom. He is the author of *The Fractured Schoolhouse: Reexamining Education for a Free, Equal, and Harmonious Society* and coeditor of *School Choice Myths: Setting the Record Straight on Education Freedom*.



Cato senior fellow **MUSTAFA AKYOL** (right) hosts former Tunisian president **MONCEF MARZOUKI** to discuss authoritarianism in Tunisia and the Middle East with Cato staff.

“

In recent years, we have seen remarkable growth in private school choice programs.

”

Continued from page 1

using private choice programs. Add those to potential new ones, and the total could increase to almost 3.3 million. And early this year, Iowa and Utah passed new universal programs, with similar legislation filed in several other states.

The politics of school choice also seem increasingly favorable.

The first indication that supporting choice might be a politically winning strategy was the election of Ron DeSantis (R) to the Florida governorship in 2018. In a race against Andrew Gillum that DeSantis won by 32,463 votes out of more than 8 million cast, it is quite possible that DeSantis’s support for school choice put him over the edge. As William Mattox of Florida’s James Madison Institute argued at the time, DeSantis collected roughly 60,000 more votes from black women than would have been predicted by black men’s votes for DeSantis and black women’s votes for Republicans in other elections. Mattox explained:

More than 100,000 low-income students in Florida participate in the Step Up for Students program, which grants tax-credit funded scholarships to attend private schools. Even more students are currently enrolled in the state’s 650 charter schools.

Most Step Up students are minorities whose mothers are registered Democrats. Yet many of these “school-choice moms” vote for gubernatorial candidates committed to protecting their ability to choose where their child goes to school.

Education, and rhetoric that at least sounded like school choice support, appeared to make a big difference in the 2021 Virginia gubernatorial race. As the state was being roiled by COVID-19 masking battles and culture war fights, political novice Glenn Youngkin, a Republican, spoke a lot about empowering parents. Youngkin did not explicitly endorse private school choice, but many

people assumed it would be included among his goals since he called for increased choice to make schools more responsive to parents.

More important than what choice mechanism Youngkin did or did not explicitly endorse—since taking office he has pushed quasi-public “lab schools” but also protected the state’s scholarship tax credit from cuts—was how his opponent, former Virginia governor Terry McAuliffe, a Democrat, responded in a debate to a discussion about parents and public schools. “I don’t think parents should be telling schools what they should teach,” he declared. The pronouncement, made during major parental unrest, gave Youngkin momentum he would not relinquish.

SCHOOL CHOICE: IT ISN’T JUST FOR REPUBLICANS ANY MORE

That a candidate should not appear averse to parent power seemed to be a lesson learned by at least two Democrats running for governorships in 2022, and not even in close races.

In Pennsylvania, Josh Shapiro endorsed Lifeline Scholarships for kids in poorly performing public schools, saying, “I’m for making sure we give parents the ability to put their kids in the best situation for them to be able to succeed. And I’m for making sure we add scholarships like Lifeline Scholarships to make sure that that’s additive to their educations.”

J. B. Pritzker, the incumbent governor of Illinois, ran on ending the state’s scholarship tax credit in 2018 and twice attempted to shrink the credit. In 2022, he changed his

tune, at least a bit, answering “yes” to the candidate survey question, “Do you support Illinois’ tax credit scholarship program that provides financial support for students to attend private and parochial schools?” Pritzker’s support was tepid—he said that he would keep the program because it is “relatively small” and that he believed its supporters would endorse more overall education funding—but it was nonetheless a clear change from four years earlier.

CHOICE IN THE COURTS

The judicial landscape has also become very school choice friendly.

The primary legal objection to school choice has been that, by enabling families to select religious schools, it violates church-state separation. The U.S. Supreme Court started dismantling this in 2002 with *Zelman v. Simmons-Harris*, in which it ruled that a voucher program enabling choice of religious and nonreligious schools did not violate the federal Constitution. Families, not government, determined if the money reached religious institutions.

Legal objections based on state constitutions have been defeated over the past few years. *Espinoza v. Montana* in 2020 saw the Court rule that states cannot invalidate a school choice program on the grounds that it includes religious schools among acceptable options. This year’s *Carson v. Makin* decision solidified that, ruling that a school that acts on its religion, such as incorporating religion in its curriculum, could not be excluded from a generally available tuition program.

The next major judicial battle may move from defense to offense, tackling not whether choice is constitutionally *permissible* but whether it is constitutionally *required*, at least for religious families. If government funds public schools, which must be secular, equality under the law would seem to require that it also provide funding for religious families to choose religious schools.

JUST A COVID-19 BUMP?

Much of school choice's recent success has, of course, coincided with the COVID-19 pandemic, an unprecedented and, hopefully, not soon to be repeated event. The pandemic has almost certainly had a major impact on where kids are being educated. In September 2022, strategic consulting firm Tyton Partners estimated that traditional public schools saw a roughly 15 percent enrollment drop between the period immediately before COVID-19 and spring 2022, while charter school enrollment rose 57 percent, private school enrollment grew 28 percent, and homeschooling rose a whopping 126 percent.

Has all the progress we've seen been attributable to the pandemic? To get a sense of whether choice might be on an upswing even absent COVID-19, it is worth looking at some longer-term trends.

Enrollment since 1999—the earliest year with readily available federal data on enrollment by K–12 school type—shows movement away from assigned public schools had been occurring pre-pandemic but that it wasn't a sea change. In 1999, 74.1 percent of school-aged children attended their assigned public school, 14.3 percent were in public schools of choice such as magnet or charter schools, 10 percent were in private schools, and 1.7 percent were homeschooled. By 2019, 70.8 percent attended assigned schools, 16.8 percent were in chosen public schools, 9.3 percent were in private schools, and 2.8 percent were homeschooled.

Private schooling saw a *decline* between 1999 and 2019, though there was slight uptick when combined with homeschooling. Indications of parental schooling preferences have also moved away from private schools over roughly the last decade. The school choice advocacy group EdChoice has asked parents about their preferences among public, private, charter, and homeschooling since 2013, and the share preferring private schools has dropped from 44.6 percent to 34.8 percent today. Meanwhile, the share expressing a homeschooling

“
There is
evidence that
the COVID-19
experience has
left a permanent
imprint on many
parents' minds.
”

preference has risen from 7.3 percent to 13.6 percent. Combining private and homeschooling, the share of parents expressing a preference for private education has dipped from 51.9 to 48.4 percent.

This could be a bad sign for future choice expansion. That said, EdChoice has found that when people were directly asked about various school choice mechanisms, including ESAs, tax credit scholarships, and vouchers, support rose for all three between 2013 and 2019. Also, EdChoice suggests a drop in private school preference in 2022 might reflect their asking about choice among public schools for the first time. And even with the reported drop in preference for private education, it is not being consumed at nearly the level parents prefer. EdChoice found that 35 percent of current school parents would prefer that their children attend private school, but in 2020 only 9.7 percent of kids did so; 11 percent preferred homeschooling, but only 2.6 percent did so.

TEMPERED OPTIMISM

Whatever the long-term trends, it is unreasonable to expect a repeat of 2021 in the next few years.

The primary reason for this is that COVID-19 created arguably the least favorable conditions possible for a communal activity like public schooling: a new, highly contagious virus that provoked widespread, sometimes literally deadly, fear of physical proximity to others.

This made the stakes of what public schools did extremely high as they chose between sacrificing safety or educational quality, inevitably angering parents worried about their children's basic needs: health and education.

With COVID-19 declining as a concern, public schools have typically returned to normal operations in the 2022–23 school year, taking away what was likely a major driver of increased home and private schooling. Some parents will likely continue to harbor resentments about how public schools responded to the pandemic, and sometimes how public school officials responded to them personally, but no doubt many just want a return to comfortable normalcy: the local public school.

This is borne out in recent polling. Consistent with long-standing trends, in 2022 Gallup found that while overall adult support of U.S. K–12 education is low—42 percent were “completely” or “somewhat satisfied,” down from about 50 percent in 2020—80 percent of parents with school-aged children reported satisfaction with their schools, up from around 72 percent in 2020. The sample, importantly, was not restricted to traditional public-school parents, but they made up 82 percent of it.

Even with this, there is evidence that the COVID-19 experience has left a permanent imprint on many parents' minds. In another survey by Tyton Partners, 59 percent of parents reported that their preferences for their children's education had changed due to the pandemic; 52 percent wanted more power going forward to “direct and tailor” their “child's educational experiences.”

In addition to COVID-19 being less of a motivator, it is likely that we will see renewed political vigor among choice opponents. Politics tends to move in pendulum swings, and things swung forcefully toward choice over the last few years. It is not clear what status quo defenders such the National Education Association or American Association of School Administrators could do to escalate their opposition to choice—they have always been staunch-

ly opposed—but we should not be surprised if anti-choice rhetoric heats up.

What is perhaps most in the school choice movement’s long-term favor is that growth tends to cement itself, creating a broader baseline than before from which to work. Once a program of any kind is in place, it gets a constituency that becomes highly motivated to defend and advance it. For school choice in particular, not only does it get that, but any politician who seeks to dismantle it has to accept being the face of efforts to kick children

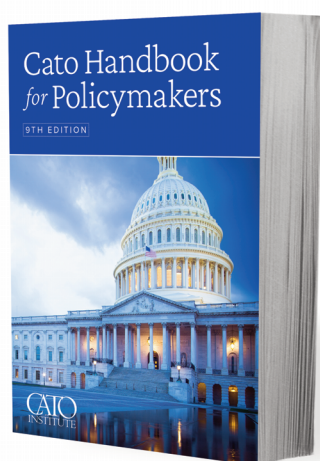
out of schools that have been their educational homes. This is a major reason that since 1990—when the first modern voucher program was

“
We should
not be surprised
if anti-choice
rhetoric
heats up.
”

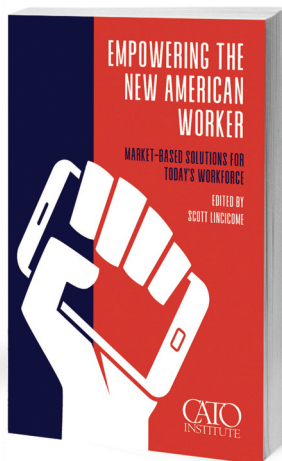
established in Milwaukee, Wisconsin—there has not been a year in which the number of active private school choice programs nationwide has declined, save for consolidations into bigger programs, as happened in Florida and North Carolina in 2022. The reach of choice has consistently grown.

It is hard to conclude that educational freedom has turned a corner from exception to norm. But it has made huge progress over the last few years, and it is almost certainly here not just to stay but to flourish. ■

Handbooks for Congress



Now in its ninth edition, the *Cato Handbook for Policymakers* sets the standard in Washington for reducing the power of the federal government and expanding freedom. Each chapter offers policy suggestions and issue-by-issue blueprints for promoting individual liberty, free markets, and peace.



This comprehensive handbook offers a roadmap for what Cato Institute scholars believe to be the most important market-oriented policies to empower American workers, covering a broad array of issues including education, housing, remote work, health care, criminal justice, and licensing.



For policymakers who want to improve financial markets, this policy guide provides many practical solutions to reduce excessive government regulation and involvement in financial markets with policy suggestions covering financial privacy, monetary policy, increasing competition and innovation in the financial sector, and more.



AVAILABLE ONLINE AT CATO.ORG