

2023 Is the Year of Universal Choice in Education Savings Accounts

“We better get doing our job of implementing well,” says EdChoice’s Enlow

E DUCATION NEXT senior editor Paul E. Peterson recently spoke with Robert Enlow, president of EdChoice, about the rising popularity of Education Savings Accounts.

Paul Peterson: What is an Education Savings Account?

Robert Enlow: It is money the government puts onto an online platform, or “digital wallet,” that parents can spend for multiple educational purposes—tuition, therapies, books, and other learning experiences. You can hire a tutor. You can buy a computer. You can do everything a school does to educate your child. A voucher is public funds going directly to a private school, while ESAs are public funds that parents can choose how to spend.

But don’t most parents use ESAs to send their children to private school?

Yes, but that is changing. When Arizona’s program started in 2011, about 85 percent of families used their ESAs for private-school tuition, but now it’s more like 70 percent. As families get more engaged in their child’s education, they learn to customize more and try different things.

Why have ESAs become such a popular school-choice innovation now?

The answer is twofold. One, the pandemic supercharged the idea of parents being in charge of their children’s education. And two, Milton Friedman’s initial school-choice idea, the school voucher, is all about picking one school over another school—district-run, charter, or private. It’s pitting one against the other. With education savings accounts, policymakers are saying, “We don’t care about the school type. Parents get to care about the school type and what they want to do.” ESAs change the focus of how the funds are spent, from schools to parents and from parents to customization.

Is 2023 a better year for ESA legislation than 2024 is likely to be, because it’s an election year?

We have data going back to 2008 tracking the number of bills that were passed, the number of new states, and the number of expansions, and it’s like clockwork. The year before an election is good. Election year, not as good. In 2023 there have been 111 school-choice bills introduced in 40 states for vouchers, tax credits, and ESAs. Of those, almost 79 percent of them are ESA bills. I don’t think you’ll see that kind of support in 2024. But what’s amazing now

is the growth of universal ESAs, so everyone’s getting to choose. We have to implement this well. Mitch Daniels said to me, after the passage of the Indiana Choice Scholarship program in 2011, “Enjoy your night, Robert. Tomorrow, the hard work of implementing a really big bill starts.” And we better get doing our job of implementing well.

The choice movement began by saying, “We’ve got to help poor people get to good schools.” The whole emphasis was on equity. Now the conversation is, “Let’s give choice to everyone.” Why is that happening, and is it a good thing?

EdChoice has been fighting this battle for 27 years and supporting universal choice. What is different now is finally a recognition that you cannot win if only some people get choice. Milton Friedman used to say, “A program only for the poor is a poor program.” People finally realize this now, the basic fairness of giving everyone a choice. Second, every child’s needs are different. A wealthy child may be in a school district that doesn’t work for them because the child is being bullied or has special needs, and the parents want something unique.

And finally, you can’t get legislators to support things if the people in their districts

don’t benefit. You have to make sure that a) the program is statewide and b) it’s broad. Indiana was the first state to make it really broad and widely available. When Indiana first passed its ESA program, 68 percent of the kids were eligible. Now, 97 percent are eligible. People are realizing that if you give a benefit to some and not to all, it’s not going to be sustainable over time.

It’s possible that the people with resources will take advantage of these Education Savings Accounts, and they will be the ones who capture most of the dollar bills.

You mean like our traditional public schools that have the wealth to capture the markets in suburbia and high-wealth housing areas? That’s exactly what happens now. It’s totally unfair and unjust. A well-functioning marketplace in which parents, even wealthy parents, can choose an ESA will create significantly more options and opportunities that will ultimately benefit all families, particularly poor families.

But then there is the problem of abuse. I’m taking my

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grandchildren down the Danube this summer, and it's going to be a very educational trip. We're going to see Prague, Budapest, and Vienna. They're going to learn so much; can I use my Education Savings Account money to pay for the trip?

Learning happens everywhere, including on the Danube, going through the historical regions of Austria and the Czech Republic. Is the airfare worth paying for? What about all the side trips? I could argue that every trip you take to a castle is a worthy education expense, much like field trips for our public schools. Now, the guardrails that determine which expenditures are appropriate and which are not, that's up to legislators and well-meaning advocates to fight out. But we know very clearly from the data that government-run programs such as SNAP benefits have 30 or 40 percent fraud, while ESA programs like the one in Arizona have less than 2 percent fraud. Which government program is worse, the one that's controllable through an online digital platform that parents can use, or the one that the government runs and is dramatically wasteful?

But what are the rules? What can you spend the money on, and what can't you spend the money on?

Every state is different. Arizona has a wide expenditure range, while Iowa's program is basically for private-school tuition and some other fees. Arkansas's and Utah's programs are going to be pretty wide open.

Let's say, for example, you want to teach your child kayaking. Is a kayaking course an approved expense? I could argue that it is. Is a kayak an approved expense? Maybe not. These are the debates that people are having. I think we have to put in some guardrails and, ultimately, trust parents. Is the system going to be perfect? Surely not. But I think if we can trust parents enough to know what's in the best interest of their children, we're going to see an explosion of opportunity.

Do you have to decide not to go to a public school to get an ESA? Can I get an ESA and still send my child to my local public school?

You can in West Virginia. And I love that concept. Some of my friends say, "You don't want to force a divorce between public schools and parents." I think we should get to a point where parents can choose some public-school courses, some private-school courses, some curriculum choices, some personalized hybrid learning. They should have a customized marketplace. West Virginia and Utah, I think, have the opportunity for that. And in the next reform phase, I think we have to get rid of "seat time." We have to start moving to competency and mastery, not seat time and completion. And I hope ESAs will start us on that road.

But will colleges recognize this kind of education

and buy into the idea of getting rid of seat time? They're used to the old-fashioned way, of students accumulating so many course credits.

Those doggone Carnegie units. I would say that the growing acceptance of homeschooling in college admissions is one proof that colleges can change the way they do things. I think the next step for colleges is to look at portfolio assessments, portfolio reviews. A lot of universities are saying they don't even look at SATs that much anymore.

Where do you think we're going next? Do you foresee, in the next decade, a full-blown world of choice across all states?

If North Carolina passes its ESA bill, we'll have programs in 12 states. I see us getting to maybe a third to half of the states in the next 10 years. States such as Illinois that don't pass their programs or that repeal their programs may start to lose people. Indiana should be marketing right now in

Illinois to those 9,000 families who lost their child scholarships and say, "Come to Indiana. We have schools and opportunities for you." I think states are going to start using this—I would, if I were a state leader—for marketing purposes.

A lot of people say the public schools are being left behind and their problems are going to worsen, because the people with the energy and the resourcefulness are going to take advantage of these new options, and we'll have an ever-more depressed public-school system.

First, I take the plight of traditional schools seriously. They educate a lot of kids, and it's important. However, to say that public schools are going to get worse makes my blood boil, because I'm not sure how much poorer they can get, when it comes to outcomes. At what point are we as a society going to say, "I don't care what kind of school you are, but if you can only get 30 percent of your kids to read on grade level, that's not acceptable."

And I think the public school system is going to have to face some harsh truths. That is, can we keep operating with a model from the 18th and 19th centuries, or do we need to do something different? What I hope is that school boards will begin to realize they have a lot more power than they thought. Literally tomorrow, they could make every school a choice school. They could make every family a voucher recipient. Public school boards have that kind of power. I'm hoping that we'll begin to see a lot more innovation in traditional schools. And if they don't innovate, the reality is, parents have the right to vote with their feet. Some can do it already by picking a place to live. Now, with ESAs, we're saying everyone can do it, regardless of how wealthy they are or where they live.

This is an edited excerpt from an Education Exchange podcast. Hear it in full at educationnext.org.