



# 10. School Choice Policies in the United States

## *Retrospect and Prospect*

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### **Executive Summary**

The adoption of school choice policies over the last several decades was a major K-12 education policy development in the United States. These policies take several different forms, including public school choice (e.g., “open enrollment”), charter schools, and voucher programs that defray or reduce the cost of private school tuition. This chapter surveys the present landscape of school choice policies in the United States. While vouchers have attracted renewed policy interest recently, more than ten times as many students attended a charter school in fall 2019 as used a voucher to attend a private school. The chapter then assesses what global experience so far suggests about the potential of school choice policies for reforming public education in the United States.

It is emphasized that this potential rests in large part on the degree to which the policies improve education in traditional public schools. The survey of the empirical evidence to date supports the view that school choice policies usually—but not necessarily—have positive spillover effects and that they do so by causing public schools to raise their quality in the face of competition. At the same time, there are important gaps in knowledge concerning impacts of school choice on students’ long-run success and how the design of choice policies contributes to those impacts. For a post-COVID future that is likely to feature greater school choice, several policy takeaways are emphasized. These include leveraging incentives that stand to intensify competition, such as providing public funding for transportation to non-public schools; producing and supplying families with information about schools and their impacts; and targeting vouchers to students underserved by public education.

- School choice policies are a relatively new development in the United States, with charter schools in particular affecting large numbers of pupils.

- The most important element of school choice is the extent to which it improves education in traditional public schools.
- Shaping school choice policies is especially important as educators adjust to a post-COVID world.



The past forty years witnessed several significant initiatives in K-12 education policy in the United States. These include school finance reforms to ensure equity and adequacy of funding as well as the adoption of school accountability policies (exemplified by the No Child Left Behind Act) linking measures of student success with sanctions and rewards for teachers and schools. A major development was likewise school choice: public policies that provide families with increased access to schooling options other than a neighborhood-assigned public school.

Although school choice policies in the United States take several forms in practice—this chapter surveys findings from public school choice (e.g., “open enrollment”), charter school, and private school voucher programs—the school choice movement is unified around a common logic and set of policy goals. Its intellectual heritage typically is traced to economist Milton Friedman’s argument that, while government rightly should fund primary and secondary education, a robust system where substantially more private providers also produce and deliver that education and where the funding a school (public or private) receives is directly linked to its enrollment could be more efficient and more equitable (Friedman 1955). As with the debates over school finance and school accountability, a central issue is the low productivity of public schools in the United States in comparison with other nations. School choice policies distinctly diagnose this problem as a symptom of monopoly power. Poorly performing public schools are the logical product of weak incentives to supply a high-quality education in this view. Introducing choice—and therefore competition—to K-12 education follows as a remedy.

This broadly economic rationale connects with two other motivations for the introduction and expansion of school choice policies. The first can be described as a pragmatic appeal that has historically proven important: given the entrenched power of the public education bureaucracy in the United States (e.g., the political influence of public teachers’ unions), reform from without—as opposed to from within—has often proved more feasible. In other words, rather than attempting to reform public education from the “top down,” school choice policies advance reform in a more decentralized, “bottom-up” fashion. The other motivation recognizes that the students who are most underserved by public education in the United States are disproportionately disadvantaged. In particular, it is families of low socioeconomic status who otherwise effectively lack school choice; they often do not have the resources to pay for private school tuition or to move to affluent suburban neighborhoods with good public schools. From this perspective, school choice policies stand to level the playing field for

low-income and minority students both by improving access to high-quality schools and by spurring improvement of public schools.

This chapter surveys the present landscape of school choice policies in the United States and assesses what global experience so far suggests about their potential for reforming public education. This experience includes both several decades of state- and district-level choice policies in the United States as well as the experience of countries where choice has been introduced (e.g., Sweden and India) or has long been a feature of the national education system (e.g., Chile). A major point of emphasis is that the potential of school choice policies as a large-scale education reform rests in large part on the degree to which they improve the quality of education in traditional public schools. Such learning spillovers are likely to depend on how school choice programs are designed and may or may not be positive.

The chapter then summarizes key elements of the major school choice policies present across the United States, with a focus on the incentives that funding and accountability provisions may or may not create. These policies include public school choice options, such as magnet schools and open enrollment policies, as well as charter schools, which are operated independently but are publicly funded and tuition-free. While vouchers (and voucher-like programs) that defray or reduce the cost of tuition at private schools have attracted renewed policy interest recently, a much greater share of current public funding for school choice flows to charter schools: more than ten times as many students attended a charter school in fall 2019 as used a voucher to attend a private school. Charter schools educated around 6 percent of all students. Survey numbers also suggest that around as many students “chose” their public school (as opposed to attending an assigned one).

This leads into a critical appraisal of the empirical literature to date. The review focuses primarily on the evidence regarding the effects of school choice programs on public school students. It is argued that a consensus, built on the findings from both domestic and international programs, supports the view that school choice policies usually—but not necessarily—have positive spillover effects and that they do so by causing public schools to raise their quality in the face of competition. The chapter then highlights several important gaps in current knowledge. These include the need to understand the sources and significance of heterogeneity in impacts across different settings and programs and for greater evidence of effects on long-run student success (such as education attainment). There is also a need for work that considers the implications of the growing reality in the United States where several different school choice policies can be present at the same time.

The last sections of the chapter reflect on takeaways for school choice policy moving forward and on challenges of evidence-based policymaking in a post-COVID 19 future that is likely to feature greater school choice. One conclusion is that policymakers should consider and leverage incentives that stand to intensify competition. Specific applications include providing public funding for transportation to nonpublic schools; producing and supplying families with information about schools and their impacts; and targeting vouchers to those students who are underserved by public education.

## ORIENTING THE FOCUS TOWARD EDUCATION QUALITY IN THE AGGREGATE

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How should school choice policies be evaluated as successful or not? The perspective adopted in this chapter is that their impact on the quality of education, understood as the level of skills that students acquire in schools, should be the foremost focus. An important point is that this focus accommodates a broad conception of skills that encompass cognitive and other (noncognitive) aptitudes; it is not reducible to academic achievement. While measurement raises crucial questions returned to later, skill production in schools as a central focus has two advantages. The first is that it serves to summarize in terms of student outcomes the multitude of individual elements that constitute a schooling environment—for example, the quality of the teachers, the culture and leadership, the curriculum, and so on. The second advantage is from the perspective of policy: it provides a common basis for comparing the effectiveness of school choice policies with other major K-12 education reforms.

One way the question is often framed of whether school choice policies are successful or not is from the perspective of parents and caregivers: “Will sending my student to a charter school be better than sending them to their assigned public schools? Will using a voucher program to send my student to a private school be better than sending them to their assigned public schools?” This framing connects with a mature empirical literature and body of evidence that asks whether charter and private school alternatives provide higher education quality than traditional public schools. A fundamental empirical challenge for research is self-selection—the fact that the students who choose to use a voucher or switch to a charter school are not randomly drawn from the population—and scholarly work has advanced several approaches to address this. Important findings in the literature include that certain charter schools (many aligned with “No Excuses” practices) generate dramatic improvements in students’ academic achievement and whether they go on to college (e.g., Angrist et al. 2016; Dobbie and Fryer 2020); that recent national data sources show learning gains of charter school students exceed those of traditional public school students (Shakeel and Peterson 2021; CREDO 2023); and that voucher recipients in statewide programs in several US states perform lower than comparable traditional public school students on state standardized tests (e.g., Mills and Wolf 2017; Abdulkadiroğlu et al. 2018).

From a policy perspective, however, some of the attention to whether school choice alternatives are higher quality is misplaced. This is because the promise of school choice policies as large-scale education reforms rests in a fundamental way on how those policies impact students who choose to attend traditional public schools. In theory, school choice policies can increase education quality in the aggregate by creating incentives for public schools to raise their productivity. Analogized to a “tide that lifts all boats” (Hoxby 2003), this competitive response prospectively redounds to the benefit of students who remain in public schools. The key point, emphasized in the next section’s survey of the school choice landscape in the United States, is that those students who participate in choice programs (i.e., use a voucher program to attend a private school or choose to attend a charter school) are a minority of all students. As a consequence, even small spillover effects on the comparatively larger share of

students who remain in public school will matter more in the aggregate. A numerical example helps illustrate this point: if 10 percent of students used a voucher to attend a private school and their learning was consequently advanced by six weeks each, education quality on average would be negligibly improved if there was zero impact on the 90 percent of public school students. While the voucher program in this example might pass a cost-benefit analysis, the point is that it would be difficult to justify the attention of policymakers concerned with developing and implementing policies that address the systemic failures of K-12 public education in the United States.

A growing literature, drawing on evidence from programs in the United States as well as international findings, tests for competitive effects of school choice policies. School choice policies can have negative spillovers, too, however, and a central empirical question concerns effects on resources and student composition in public schools and separating those effects from changes in public school productivity. A major empirical challenge for this branch of the literature is that the public schools that are exposed to competition are likely not random. The review of the empirical literature below summarizes the major findings about spillovers of school choice policies.

## THE SCHOOL CHOICE POLICY LANDSCAPE IN THE UNITED STATES

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There are various policies that create or expand access to school options across the United States. This chapter provides a brief overview of three broad categories: (1) policies that provide choice among public schools (e.g., open enrollment and magnet programs); (2) charter school laws that allow for the creation and operation of publicly funded and tuition-free schools by independent organizations; and (3) voucher and voucher-like programs that defray the cost of tuition at private schools for qualified students.<sup>1</sup>

### PUBLIC SCHOOL CHOICE

Public school choice policies offer families choice among public schools. One example is magnet schools, which are typically district run, feature specialized curricula, and often have selective admissions. Students must apply to be considered for admission. Examples include “exam” schools such as Stuyvesant in New York City, Thomas Jefferson High School for Science and Technology in Fairfax, Virginia, and many schools of the arts around the country. Another example of public school choice is open enrollment policies intended to provide a process whereby students can transfer between public schools. Most states allow school districts to voluntarily accept students from other districts, and twenty-three have policies in place that make such interdistrict transfers mandatory (Education Commission of the States 2017). Transfers within a school district are mandatory, subject to limitations, in nineteen states.

Choice mechanisms are a kind of open enrollment policy that facilitates within-district public school choice. Such mechanisms allow students to submit ranked lists of school preferences,

which are then aggregated (and can be combined with preferences identified by schools and specialized programs and other criteria) to assign students to schools via an algorithm. An example is Denver’s SchoolChoice process, first put in place in 2012, where families (most with students in either kindergarten, sixth, or ninth grade) rank up to twelve schools, and matching priorities include neighborhood zones and siblings. School districts often pair choice mechanisms with guides for families to understanding the ranking and allocation process and that detail aspects and attributes of the various schools and programs available. While public school choice mechanisms expand choice options beyond charter or private schools—and introducing choice into the system may be a response to the availability of charter or voucher options—there is greater ambiguity about the theoretical system-level implications of magnet, specialized programs, or open enrollment policies on education quality. This is because choice *between* public schools does not obviously create meaningful competitive incentives: whichever public school a student chooses to attend, they (and the revenue attached to them) ultimately stay in the public system.

It is difficult to provide an exact number as to how many students in the United States “chose” their public school via a policy option (as opposed to being assigned it based on residence). Pre-2020 survey numbers from the National Center for Education Statistics (NCES) imply a figure of around three million students (about 6 percent of all public and private enrollment) (Hanson and Pugliese 2020). A number of large public school districts have at least limited school choice mechanisms in place, including New York City, Los Angeles, Indianapolis, and Charlotte-Mecklenburg (in North Carolina). These programs can take different forms. In some cases, magnet program and charter school options are integrated into the same choice mechanism as for traditional public schools.

## **CHARTER SCHOOLS**

Charter schools, in contrast, are essentially privately operated public schools. Charter schools are supported by tax revenues, are regulated by government entities, do not charge tuition, and cannot have selective admission criteria. They also participate in school accountability programs (i.e., standardized testing) and can be closed by public school authorities for poor performance. At the same time, they are created, operated, and managed by independent organizations and, like private schools, have considerable autonomy when it comes to decisions over curricula, human resources, and where to locate. Charter school operators are generally nonprofit organizations (well-known examples include the Knowledge is Power Program, Rocketship, and Success Academy), though for-profit management companies operate in several states.

How (and at what level) charter schools are funded has long been a major point of debate. This is in part because most per-pupil funding for charter school students moves out of the public school system to the charter school the student enrolls in. Thus, the fiscal implications of school choice can be immediate for public schools in the case of charter school competition. From an economic perspective, this means that the presence of charter schools in principle creates a meaningful incentive for districts to retain students (though public school leaders may not act on those incentives). In several states, however, these incentives are

mutated by “hold harmless” provisions that at least temporarily offset the full financial impact of enrollment lost to charter schools. Public school leadership, at both district and state levels, has at times been hostile to charter school growth in the face of fiscal impacts, and charter schools are a frequent target of public school teachers’ unions. At the same time, the amount of funding is also typically disparate—charter schools generally receive less revenue per pupil than is spent on a student in a traditional public school—and this disparity has itself been (and continues to be) a focus of policy attention.

About 3.4 million students in the United States attended a charter school during 2019–20. This equates to more than 6 percent of all school enrollment and reflects steady growth; charter schools enrolled about 4 percent of students in 2010–11. The average charter school student is much less likely to be White and more likely to be economically disadvantaged than the average public school student (NCES 2022).<sup>2</sup> Although all but four states have charter school laws in place, charter school penetration varies considerably across places. In several states, more than one in ten non-private school attendees attended a charter school in 2019, including Washington, DC (45 percent), Arizona (18 percent), Colorado (14 percent), Louisiana (12 percent), and Florida (11 percent) (NCES 2022). Note that these numbers mask major within-state heterogeneity: for example, about 25 percent of Miami-Dade non-private school students attend a charter school. In New Orleans, virtually all students who do not attend private schools attend charter schools.

## **VOUCHERS**

The last variety of school choice programs highlighted in brief here are those that defray the cost of tuition at private schools for eligible students. These programs are generically referred to as “voucher” policies but can take several different forms across the United States. These forms include prototypical government-funded programs that cut families a check; tax credit scholarships—which deputize nonprofits to receive tax-advantaged contributions and provide scholarships to students; and education savings accounts. Education savings accounts instead allow families to allocate a given sum of government funds across education expenses, including private school tuition.

Voucher programs have historically been means tested, whereby eligibility is restricted to students in families whose income does not exceed some threshold. A number of programs are targeted specifically to students with disabilities, and a few restrict or expand eligibility to students assigned to persistently low-performing public schools. Similar to the revenue disparity between traditional public schools and charter schools, effective voucher amounts are typically well below per-pupil expenditures in public schools and often do not cover the average sticker price at private schools. For example, Ohio’s means-tested statewide vouchers are worth \$5,500 at the elementary and middle school levels for 2022–23. Other policy parameters concern accountability provisions of voucher policies. At issue are typically three aspects of the programs: (1) whether participating private schools may apply their own admission criteria or not (with seats in oversubscribed private schools allocated by lottery); (2) whether private schools can require supplemental tuition from voucher recipients; and (3) whether voucher recipients must take the same achievement exams as in public schools.

While the country’s first voucher program (which began in Milwaukee in 1990 and served nearly thirty thousand students in 2022–23) requires lotteries and allows tuition supplements only at high schools, almost all major voucher programs instituted in the United States in the past twenty years relax these provisions.

In fall 2019, about 4.7 million K–12 students were enrolled in a private school nationally (NCES 2022). This level, which is a little less than 10 percent of all students, has been relatively constant over recent years. However, the estimated share of private school enrollees who are part of a voucher or scholarship program has grown. More than five hundred thousand students (about 1 percent of all public and private school students) attended a private school via a school choice policy in 2019—more than double the number ten years prior (EdChoice 2023). As of 2023, thirty US states (plus Washington, DC) had some kind of voucher program in place. The country’s largest voucher program, Florida’s Tax Credit Scholarship, began in 2001 and served more than one hundred thousand students as recently as 2020–21. While private school students as a whole tend to be more advantaged (and less likely to belong to an underrepresented minority) than public school students, those students who use vouchers—reflecting in part the income-based eligibility criteria for such programs—are generally less advantaged and relatively more minority (Wolf 2020).

## WHAT DO WE KNOW?

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What do we know about the externalities of school choice policies on the learning of students who nonetheless attend a traditional public school? This section considers the evidence on this question. The topic of spillovers juxtaposes countervailing forces. On the one hand, incentives to retain enrollments may lead public schools to respond to school choice policies by raising quality, as intended. On the other hand, expanded school choice may negatively impact students who remain in public schools through a resource or peer effect channel. If, for example, more advantaged or higher-achieving students leave public schools (and exposure to such students benefits their peers), the learning of students left behind will suffer. There is also an important concern that low information about school quality (or preferences for other attributes of schools) could incentivize responses by public schools that are unrelated to impacts on learning.

The body of rigorous evidence to date supports the conclusion that spillover effects on student learning are usually—but not necessarily—positive on net. The pieces of evidence supporting this are twofold. First, the net effect on students remaining in an assigned traditional district school is generally zero or positive; this implies, and more direct evidence affirms, that negative externalities from peer sorting are limited.<sup>3</sup> Second, the patterns for net improvements in student outcomes are consistent with increased competition causing public schools to raise their productivity.



A recent review of the findings from private school choice programs in the United States highlights that most studies find positive evidence of competitive effects and that no study finds evidence of negative effects on students attending traditional public schools (Wolf 2020). Figlio and Karbownik (2016), to highlight one example, compare two sets of Ohio public school students: (1) those in traditional public schools who marginally exceeded a score threshold (based on standardized test performance) below which all students would become eligible to receive a voucher; and (2) those in public schools who marginally failed the score threshold. The latter group, who were exposed to private school competition but should otherwise be on average the same as the first group, showed greater test score growth. The body of evidence on spillovers of charter schools on public school students is more ambiguous. Older findings drawn from a variety of states suggest that test score impacts are limited.<sup>4</sup> One important study, by Imberman (2011), reports negative impacts from charter schools on the achievement of students in traditional public schools. The more recent evidence is generally more positive. Studies that find improvements in public school students' test scores include Cordes (2018) for New York City, Gilraine et al. (2021) for North Carolina, and Ridley and Terrier (2022) for Massachusetts.<sup>5</sup> The New York City study compares student test scores between traditional public schools exposed to charter school competition at different times and at different distances. These studies of US programs are accompanied by results showing increases in public school student outcomes following the introduction of vouchers in 1992 in Sweden (Sandström and Bergström 2005) and, despite increases in stratification that likely reduced average student academic potential in public schools, no changes associated with entry of private schools in India (Bagde et al. 2022).

Two kinds of evidence additionally support the claim that increased competition can cause public schools to raise their quality. The first kind is from settings where competition increases but in which other responses cannot arise. Figlio and Hart (2014) is a foremost example: students could apply for Florida's means-tested voucher one year in advance of the program launch. The authors present evidence of increases in test scores at competitively exposed public schools in even this "pure competition" year where students could not yet re-sort. Implementing the same idea, Gilraine et al. (2021) provide evidence for competition in the context of charter schools in North Carolina. The second kind of evidence is drawn from models of school choice that generate predictions for how much competitive pressure different public schools experience. Gilraine et al. (2023), for example, show (1) that demand for charter schools offering a "nontraditional" curriculum is not very sensitive to the quality of public schools; and (2) that, as would be expected, the quality of public schools does not increase following nearby entry by a "nontraditional" charter school. They further show that the test score value added of public schools does increase following entry of math and reading skills-focused charter schools. Campos and Kearns (2023) take a similar approach to argue that competition among public schools is the mechanism supporting improvement in student outcomes, including high school completion, in Los Angeles's high school Zones of Choice. Card et al. (2010) for Ontario, California, and Neilson (2021) for Chile, respectively, are two examples that bring international evidence of this kind to bear.

## WHAT DO WE NOT YET KNOW THAT WE NEED TO KNOW?

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While the evidence summarized in the previous section points to emerging consensus on the spillover effects of school choice policies, this section highlights several gaps in current knowledge. These gaps include (1) the paucity of evidence on long-run impacts, such as on wages; (2) the little attention to implications of how choice programs are designed; and (3) the need to consider markets (which may feature several overlapping choice options and programs) as the appropriate units of analysis, not individual programs and policies.

First, a major limitation of the existing evidence on the aggregate effects of school choice policies is the limited amount of work that speaks to impacts on students' "long-run" outcomes. These outcomes include educational attainment (such as college entrance or graduation), marriage, employment, work history, and labor market earnings. This is important because long-run indicators of success are reliably better measures of human capital acquisition than test scores, which are more widely used due to their greater availability in US datasets. Long-run markers of success, for example, depend on many kinds of skills, while test scores may only reliably measure cognitive skills acquisition. A large literature recognizes that near-term impacts on math and reading scores or measures derived from them may not capture durable (and multidimensional) skill gains. An exception in the literature is studies that examine effects on postsecondary outcomes of charter school attendance. But the lack of long-term outcome data is especially relevant to the evidence on statewide voucher programs, where negative effects on test scores for voucher recipients may conflate lower education quality with private schools' nonalignment with the public school curriculum. Further, little to no existing work estimates competitive impacts from school choice policies on measures of student success in the long run.<sup>6</sup>

A second gap in the existing evidence concerns how impacts on education quality relate to how choice programs are designed and implemented. This is because how policy elements combine has implications for the incentives facing public school leaders and thus for the potential of choice to generate competition. A simple example in illustration is whether (and how much of) public funds actually follow students who switch from public schools to a school choice option like a private school via voucher or a charter school. However, other elements of choice programs are also relevant. These include whether funding and policy support a competitive threat to public schools. For example, are negative impacts of statewide voucher programs on participants partly due to high-quality private schools being insufficiently incentivized to participate? Should barriers to charter school entry be kept low, or is it better that authorizers screen applications to open new schools or expand existing schools based on proven success and limit where new charter schools can open? Answers will require more work that tackles how schools—public, private, and charters alike—make decisions. Though they have clear implications for policy, little existing evidence in the literature speaks to these questions.

This relates to a third limitation of the existing stock of knowledge, which concerns its applicability in the current policymaking environment: increasingly, K-12 education "markets" feature multiple school choice programs. It is no longer unusual for a voucher program that defrays private school tuition, several charter schools, and some kind of choice among public schools to all be options available to families in a district. One issue this creates is

interpreting findings from individual choice programs: a case in point is that recent data from the Washington, DC, voucher program shows that 42 percent of the control group students attended charter schools (Dynarski et al. 2017). The bigger question raised, however, concerns how combinations of school choice programs interact at scale. How should limited resources be allocated across schools and programs? Is the marginal dollar better spent on expanding charter schooling, or on expanding vouchers, or on implementing better public school choice mechanisms, or on increasing public school quality generally? This requires a shift in focus from school choice options and policies in isolation to “education markets” as they exist and evolve.

## WHAT SHOULD BE DONE?

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This section collects several takeaways from the global experience with school choice programs to date. A first recommendation is that policymakers should recognize the central importance—and leverage the power—of incentives. The simple point is that, for choice policies to create meaningful competition, traditional public schools and districts must feel threatened with losing students and funding. One practical application of this recommendation is to transportation: a compelling argument that education funding should be directed toward providing transportation of students to charter schools or, in the case of voucher programs, to private schools is that doing so will make it easier for students to potentially leave traditional public schools; it will increase competition. A second application is providing parents with better information about schools (public, private, and charter). A large body of evidence indicates that parents may not know about available choice options and do not have accurate information about school quality. The implication is that supplying information to parents about the effectiveness of different schools at advancing student learning will strengthen incentives facing traditional public schools to increase their quality.

Given limited resources, policy decisions would additionally benefit from considering where returns are likely to be highest. This recommendation channels an animating motive for school choice programs: expanding choice for low-income families and students will yield greater improvements in education quality overall than will expanding choice for high-income families, who already have the means to choose private schools or public schools in affluent neighborhoods. But combined with the logic of incentives, this recommendation produces additional insight: because high-income families experience little real change in their ability to exercise choice, the schools under their consideration also experience limited changes in incentives. This stands in marked contrast for low-performing schools that disproportionately serve low-income students: continuing to miss the mark, when effective choice programs are in place, will risk losing enrollments. This observation has several applications. One is that policymakers could provide financial incentives to charter schools to locate in neighborhoods and areas where traditional public schools underserve students. Several pieces of evidence show that financial considerations are important for where charter schools open (and whether they survive). Long-standing eligibility criteria for voucher programs that are based on the performance of the student’s local public school or family income carry a similar logic. This

implies that making vouchers and voucher-like programs universal, while perhaps appealing on fairness grounds, also may reduce their overall effectiveness. An alternative would be to scale the generosity of the voucher with family income. Policy decisions about charter school authorization (and funding) could also benefit from considering which providers or operators generate greater competitive externalities. It stands to reason that high-quality or “proven” providers likely have an advantage in this regard, and evidence, mentioned earlier, suggests that core skills-focused charter schools compete more closely with traditional public schools.

A final recommendation is just that policymakers value the potential of data and evidence to inform policy development and implementation. For example, there is no technical obstacle to creating measures of school (and teacher) quality that recognize multidimensional, durable skill development and reflect long-run success. Such measures could be built on rich evidence from test scores across many subjects, from GPAs, from attendance and discipline records, from college entry and completion data, and even from earnings in the labor market. These measures could then be used to inform parents so that they can make better decisions about schools (publicly available information about the quality of private schools is especially scarce), to target policies in effective ways, and to allocate resources. Rather, the obstacles are tragically often bureaucratic.

## LOOKING FORWARD

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The COVID-19 global pandemic and the resulting school closures and shift in education delivery models will likely prove to be the largest single “shock” to school choice in the United States to date. This shock has a demand side and a supply side. On the demand side, widespread dissatisfaction with the responses of public school leaders to the pandemic—in particular, delays in reopening schools—drove many families to seek choice alternatives. Private and charter schools were generally quicker to return to in-person instruction. This dissatisfaction is reflected in data on enrollments, which shows declines in public school enrollment (particularly among kindergartners) that were especially pronounced in districts that were slow to open buildings to in-person instruction (Dee et al. 2021). Public school enrollment declined nationally by 4 percent between fall 2019 and fall 2020, whereas charter school enrollments over the same time period increased by 7 percent (NCES 2023).<sup>7</sup> Rates of students attending private schools and being homeschooled also increased (Musaddiq et al. 2022).

The durability of this increase in demand for choice—particularly as new cohorts of students come of age—will combine with policy developments on the supply side that likewise portend a future with more school choice. In the wake of the COVID-19 pandemic, policy momentum behind expanding private school voucher programs has rapidly gained steam across numerous states. An example is 2023 legislation that extended the eligibility for Florida’s Tax Credit Scholarship, mentioned earlier, to all Florida students. Previously, eligibility was means tested (though vouchers remain prioritized to lower-income students under the new legislation) and was restricted to students either attending a public school or entering kindergarten or first grade. Florida is joined by Arizona, Iowa, North Carolina, South Carolina, Utah, and

West Virginia in creating new or expanding existing private school voucher programs post-pandemic. Like the Florida program, several of these will be universal in student eligibility, marking a significant departure from earlier voucher programs in the United States.

The fresh momentum for vouchers highlights a fundamental challenge of evidence-based policymaking: research findings typically lag policy. This is brought into relief by the fact that the recent turn to vouchers arrives amid important new findings pointing to successes from charter school choice.<sup>8</sup> Moving forward, the post-pandemic policy developments raise at least two questions for policymakers and researchers alike. The first is, for effective school choice policies, how important are accountability provisions—as opposed to accountability to the “market” alone? As detailed earlier, charter schools are generally subject to accountability provisions that are typically absent for private schools in voucher programs. The second question is how to produce rigorous evidence about new voucher (and voucher-like) programs as they grow. Many existing data systems do not contain reliable information about private schools (or private school teachers), may not record or track recipients of vouchers (especially those who do not at some point have contact with the public school system), and—in states where administration of state tests is not required—will not readily contain information suitable for evaluation. Producing rigorous research findings in the post-pandemic world will thus require renewed cooperation to develop and make available high-quality data as well as creativity to identify and draw from other information sources.

## HESI PRACTITIONER COUNCIL RESPONSES

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The conclusion that choice between public schools does not create meaningful competitive incentives may be true for intradistrict choice programs, but Arkansas public schools are highly incentivized through the interdistrict choice law. Because of this school choice law and the school funding formula being based on average daily membership in which the funding “follows the student,” many districts successfully advertise their performance levels, programs, and extracurricular options to attract students from other districts.

The recommendation that policymakers value the potential of data and evidence strikes a chord, as the future success of choice policies depends on the consideration of data and evidence beyond state assessments. The absence of an assessment and accountability requirement for nonpublic schools will forever be a hurdle for policymakers looking to expand choice options. This challenge could be mitigated by requiring other measures, such as an assessment of higher-order skills that are indicators of future success.

—Johnny Key, former commissioner of the Arkansas Department of Education

In the last two years, ten states have passed universal or nearly universal educational choice programs, the vast majority of which are education savings accounts (ESAs). If vouchers are like mobile phones, education savings accounts are like the smartphones of education choice. Families can use the accounts for multiple educational needs, including tuition, fees, therapy, tutoring, digital devices, instructional materials, uniforms, and even college savings plans. ESAs put families in the driver's seat, not just for choosing educational options that best meet their child's needs but also for customizing those options and evaluating alternatives based upon how much they want to spend. As policymakers continue to pursue these policies to empower families, they should consider several items: program design that does not suppress private school, microschool, or other innovative education service supply; transportation supports to ensure real choice that empowers families to get their child to the school they desire; and sufficient weighted financial support for low-income students and those with special needs.

—Patricia Levesque, CEO, Foundation for Excellence in Education

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## NOTES

1. The focus exclusively is on brick-and-mortar school options. Some states have created publicly run virtual schools, whereas in other states public virtual schools are typically a kind of charter school. Vouchers in several states can be used at private voucher schools.
2. For 2021-22, about 29 percent of charter school students were White, whereas nearly 47 percent of public school students were so classified. This is partly a reflection of the fact that charter schools generally do not open in low-density and more rural areas.
3. Recent compelling evidence concerning peer spillovers from school choice is drawn from India: Muralidharan and Sundararaman (2015) experimentally estimate the effect of private school voucher recipients exiting government schools on the students left behind. The paper does not find evidence that the test scores of government school students are lowered by voucher students leaving.
4. Estimated effects in the literature range from zero (e.g., Bettinger 2005; Bifulco and Ladd 2006; Zimmer and Buddin 2009) to positive (e.g., Sass 2006; Booker et al. 2008).
5. In-progress work from two research teams also finds positive effects in recent data from Florida. Slungaard Mumma (2022) finds no effect on test scores of public school students on average, using data from North Carolina and Massachusetts for a limited sample of charter school entries.
6. One exception, noted earlier (Campos and Kearns 2023), attributes to competition the effects of the public school choice program on education attainment in Los Angeles.



7. This compares with a 4 percent increase in charter school enrollment between fall 2018 and fall 2019.

8. These include the recent evidence on competitive impacts, summarized earlier, but also new work on the quality of charter schools. Cohodes et al. (2021), for example, present evidence that new charter schools of “proven providers” in Boston are as highly effective as the parent schools they are replicants of. The latest findings of CREDO’s national study indicate—for the first time—higher average annual learning gains for charter school students than for matched traditional public school students (CREDO 2023).





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### A Nation at Risk + 40

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