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Overview of Public and Private School Choice Options

School choice generally refers to the opportunity for parents to select an elementary or secondary school for their child that differs from the assigned school that the child would otherwise attend based on where the family lives. School choice is often divided into two major categories—public school choice and private school choice. Both types of school choice programs have proponents and opponents, and both have garnered substantial congressional interest. This In Focus provides an overview of the various types of public and private school choice options that exist and, when applicable, highlights federal programs that directly support choice. It also discusses homeschooling as a school choice option. The In Focus does not evaluate the pros and cons of each type of school choice option or the myriad studies supporting or criticizing them.

Current School Attendance Patterns

Based on data available from the U.S. Department of Education (ED), *Digest of Education Statistics*, there were over 56 million children enrolled in public and private elementary and secondary schools during fall 2017. Based on data for 2016 from the National Household Education Survey (NHES) on public and private elementary and secondary school enrollment, 87.5% of students attended public schools—68.8% attended their assigned public school, often based on the neighborhood in which they lived, and 18.7% attended a public school of choice. About 9.2% of the students were enrolled in private schools. The remaining 3.3% of students were homeschooled.

Public School Choice Options

Public school choice options include intradistrict public school choice, interdistrict public school choice, charter schools, and magnet schools. Availability of these options varies across different localities. Families, subject to financial considerations, also may be able to choose to live in areas where they want their children to attend schools.

Intradistrict and Interdistrict Public School Choice

Many states operate intradistrict and/or interdistrict public school choice programs, which are often referred to as open enrollment policies. Under the intradistrict programs, students may choose among some or all of the public schools in a given local educational agency (LEA). Under the interdistrict programs, students may choose among public schools in different LEAs; students cross LEA boundaries to attend school. Intradistrict and interdistrict public school programs differ among states based on many factors, including whether the programs are voluntary or mandatory, whether transportation to the new school is provided, and whether the state sets priorities for districts to follow in admitting students (e.g., sibling preference, preference to students attending low-performing schools, preference to increase racial, ethnic, or economic diversity).

According to a 2018 comparison of state intradistrict and interdistrict policies conducted by the Education Commission of the States (ECS), 47 states and the District of Columbia have at least one open enrollment policy—33 states and the District of Columbia (DC) have intradistrict enrollment policies and 43 states have interdistrict enrollment policies. Depending on the state, the policies may be mandatory, voluntary, or both, for LEAs. For example, a state might require mandatory intradistrict choice in certain LEAs (e.g., choice for students in low-performing schools or LEAs) but allow it to be voluntary in other LEAs. Alabama, Maryland, and North Carolina are the only states that do not have open enrollment policies.

The Elementary and Secondary Education Act (ESEA) provides funding for transportation to support intradistrict school choice for students attending public schools that have been identified for comprehensive support and improvement under ESEA-required state educational accountability systems.

Charter Schools

Charter schools are public school options, and thus do not charge tuition. Each state's charter school law asserts the requirements for establishing and operating a charter school in the state, including which entities may serve as charter school authorizers. Students have to apply to a charter school to gain admission. Charter schools often use lotteries to select new students if they have more applicants than available slots. The schools operate under the terms of a charter agreement that is established between the charter school and its authorizer (e.g., LEA, state-level authority, institution of higher education).

Currently, 45 states and DC have charter school laws. (The states without charter school laws are Montana, Nebraska, North Dakota, South Dakota, and Vermont.) According to the *Digest of Education Statistics*, as of the 2018-2019 school year, 7,427 charter schools were in operation, serving over 3.3 million students.

The Charter Schools Program, authorized by the ESEA provides funds to eligible entities to support the development, implementation, and replication of "high-quality" charter schools and assist with facilities financing.

Magnet Schools

Magnet schools generally operate as a specialized form of intradistrict school choice. They are designed to accomplish desegregation by encouraging the voluntary enrollment of students of different racial backgrounds. To achieve this, magnet schools offer programs (e.g., science, arts) that will be attractive to students who live outside of the traditional boundaries of the magnet school. By attracting students from across the LEA, it may be possible to alter the racial composition of a school. During the 2018-2019 school year,

there were 3,484 magnet schools in operation, serving 2.7 million students.

The ESEA authorizes the Magnet Schools Assistance Program, which provides grants to LEAs that are functioning under a court-ordered desegregation plan or have voluntarily adopted a federally approved desegregation plan to establish and operate magnet schools.

Private School Choice Options

Some families choose to enroll their children in private schools by paying out-of-pocket or using funds available from a 529 plan or Coverdell account. Financial support for private school choice may also be available through voucher or scholarship programs, tax credits or deductions, or education savings accounts (ESAs). According to Ed Choice, a school choice advocacy organization, based on data available in December 2021, at least one form of private school choice is offered in 32 states, the District of Columbia, and Puerto Rico.

Vouchers

Voucher, or scholarship, programs use public funds to finance student attendance at private schools. Payments are made directly from the government to a parent, or to an institution on behalf of a parent, that are then used to support student attendance at a private school. The majority of voucher programs have been implemented at the state or local levels. Participation in a voucher program may be limited to certain students, such as those from low-income families, those with disabilities, those attending low-performing schools, those residing in an LEA that does not have a public elementary or high school (these situations are referred to as town tuitioning programs), or those with some combination of these or other characteristics. Voucher programs may also establish minimum standards, such as student testing requirements, that private schools must meet in order to participate in the program. Based on data available in December 2021 from Ed Choice, 16 states and Puerto Rico currently operate at least one state or local voucher program, for a total of 28 voucher programs: Arkansas (1 voucher program), Florida (2), Georgia (1), Indiana (1), Louisiana (2), Maine (1), Maryland (1), Mississippi (2), New Hampshire (1), North Carolina (2), Ohio (5), Oklahoma (1), Puerto Rico (1), Tennessee (1), Utah (1), Vermont (1), and Wisconsin (4).

The only federally funded voucher program is the DC Opportunity Scholarship Program (DC OSP). The DC OSP is authorized by the Scholarships for Opportunities and Results (SOAR) Act, which also authorizes funding for DC public schools and DC public charter schools. Annual appropriations are divided evenly among these three purposes. The DC OSP served 1,835 students in private schools during the 2020-2021 school year.

Tax Credits/Deductions

State tax credits and deductions to support private school education take several forms. State scholarship or ESA tax credits reduce a corporation's or individual's tax liability for donations made to a third-party organization that provides scholarships (i.e., vouchers) or ESAs to eligible students. States may establish student eligibility criteria, such as being a low-income student or a student with a disability, to

benefit from a scholarship or ESA provided through tax credits.

Individual state *tax credits* reduce an individual's tax liability based on educational expenses for household dependents. Individual state *tax deductions* provide a reduction in taxable income based on educational expenses for household dependents that is determined prior to the calculation of tax liability for the household. Individual tax credits/deductions are available for a variety of purposes, such as tuition, textbooks, and uniforms.

Based on data available in December 2021 from Ed Choice, 21 states currently offer scholarship tax credits (Alabama, Arizona, Arkansas, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Louisiana, Montana, Nevada, New Hampshire, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, South Dakota, Utah, and Virginia), with Arkansas preparing to launch a program in 2022. The first ESA tax credit programs were launched in 2021, and are currently offered by two states (Kentucky and Missouri). In addition, six states currently offer education tax credits (Alabama, Illinois, Iowa, Minnesota, Ohio, and South Carolina) and four states offer education tax deductions (Indiana, Louisiana, Minnesota, and Wisconsin).

Education Savings Accounts

ESAs were first established in 2011 as a vehicle for providing public funds for educational purposes to eligible students. ESAs are state-funded individual accounts that are controlled by parents and used to purchase educational services. Unlike vouchers, which are used specifically to support private school attendance, ESA funds can generally be used for a variety of education-related expenses, such as tutoring, textbooks, private school, or online courses.

In order to receive an ESA for a child, a student's parent must agree not to enroll the child full-time in a public school. In addition, the student must meet program eligibility requirements, which may be based, for example, on having a disability or attending a low-performing public school. The amount of annual funding provided through an ESA varies by state but is often tied in some way to funding for public schools (e.g., a percentage of the per pupil revenue for public schools).

Eight states currently operate ESAs (Arizona, Florida, Indiana, Mississippi, New Hampshire, North Carolina, Tennessee, and West Virginia), in addition to the two states with tax-credit funded ESAs (Kentucky and Missouri).

Homeschooling

All 50 states, DC, and Puerto Rico have established homeschool laws. Some states place numerous requirements (e.g., assessment, attendance) on homeschooling, while other states have minimal or no homeschooling requirements. In some states, homeschooled students are able to participate in public online education options, public school extracurricular or co-curricular activities offered during or after school, or public school classes on a part-time basis.

Rebecca R. Skinner, Specialist in Education Policy
Isobel Sorenson, Research Assistant

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