

## **Pandemic fuels state voucher programs**

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In the summer of 2020, just a couple of months after most students struggled through remote schooling caused by the pandemic, 800 Granite State students were on a waiting list seeking a scholarship to pursue other education options.

Kate Baker Demers, who runs an organization that administers the education tax credit scholarship program, said typically that waiting list had only had about 30 students on it.

“What happened was when the schools closed down because of COVID, there were a lot of low- and moderate-income families that really still needed to go to work,” Demers said. “Those are the people who come to us, who meet these income limits. So that summer ... our phones started ringing off the hooks.”

The funding of school choice options has long been controversial in New Hampshire. Proponents say education is not a one-size-fits-all affair, and parents can best decide what’s best for their children. Opponents say it drains money from public schools, which have fixed costs that do not go away with fewer students, causing higher taxes without necessarily benefiting students.

During the pandemic, these debates accelerated as more parents seemed to turn to private, charter and homeschooling options as public schools turned to remote learning. At the same time, a new way for parents to use state funds to help their children came online, with a much higher initial cost — and interest — than expected.

Before last year, parents who wanted to move their children to a private school and needed assistance reached out to Demers’ organization, Children Scholarship Fund NH, one of two organizations that administers the state’s education tax credit scholarship. This voucher-like program is funded by business donations that qualify for a tax credit from the government.

This year, all those students and others who meet income-eligibility requirements qualify to participate in the state’s new Education Freedom Account program. The initiative provides state funding for numerous educational options, including private school tuition or materials for home-based education.

“The education freedom accounts, and the work the Legislature did on that, is a direct response to these families, low- and moderate-income families, who needed education to be stable for their children,” said Demers, whose organization now also administers the new program.

Today, more than 1,600 students are enrolled in the state’s new voucher-like program — described by many as one of the most expansive in the country — costing more than \$8 million.

Michael McShane, director of national research at the nonprofit school choice advocacy organization EdChoice, said the pendulum was already swinging toward more school choice programs across the country.

“But I think that the pandemic dramatically accelerated it,” he said. “I think that slowly but surely a few programs would start in a few states across the country. But this year, the legislative sessions that were basically this spring saw bigger programs, more programs than at least we’ve seen in probably a decade.”

According to EdWeek, six states had enacted new voucher programs by July 1, 2021, and 14 existing voucher and tax-credit scholarship programs were expanded.

According to Education Next, a journal that publishes research and opinion on education reform issues, the percentage of adults favoring vouchers for low-income students rose by 12 points from 2016 to 2019. Those who favored universal vouchers in 2019 were 55%.

However, in New Hampshire, public opinion on vouchers seems to split from national polls. When the education freedom accounts were originally proposed through a separate bill, five times as many people reportedly opposed the bill at a public hearing in February as those who signed in favor. Additionally, a poll conducted by the University of New Hampshire in March 2021 showed that 35% of those surveyed supported the Education Freedom Account program, while 45% opposed it.

The Legislature eventually passed the program through the state budget in the summer, without holding public hearings.

‘We know what our child needs’

Proponents argue that the state’s responsibility lies in funding public education, not necessarily public schools. And that parents are in the best position to decide what kind of education is best for their children.

“This (program) allows families, and affords families, the opportunity to direct those funds towards qualified educational programming that meets the needs of their children,” said Education Commissioner Frank Edelblut.

The New Hampshire program was passed through the budget this summer and took effect before the start of the academic year. The program allows families making less than 300% of the federal poverty level — for example, less than \$79,500 for a family of four — to use the funds for eligible costs.

Families receive between \$4,000 and \$8,000 per student — the per-pupil amount funded by the state that would have gone to a public school if the child was enrolled there, plus any additional “differentiated aid.”

Differentiated aid is paid by the state based on various factors, including if a student has special needs, is an English language learner or qualifies for free and reduced lunch — a lower threshold of 185% of the federal poverty level.

The money can be used for a variety of educational costs, including private school tuition, tutoring, uniforms, materials or even tuition to an out-of-district public school.

Shalimar Encarnacion has been a school choice advocate in New Hampshire for years. She is now the program and outreach coordinator for the Children’s Scholarship Fund. Encarnacion said, had this program existed five years ago, it could have been the solution her family needed.

Encarnacion’s youngest son was on an individualized education plan, or IEP, for several reasons, including attention deficit hyperactivity disorder, or ADHD, and a medical condition that causes migraines. Encarnacion struggled to get her son’s public school to abide by his IEP. He was repeatedly put in situations that triggered his migraines.

“And they kept moving him from resource person to resource person, and kids like that need continuity,” she said.

Encarnacion eventually moved her son to a private school with the help of the education tax credit scholarship. But when their family’s income increased, the scholarship amount they qualified for decreased — and they were unable to afford the difference in tuition.

She tried various options for her son, including two charter schools that didn’t work out because of distance and other reasons.

“Long story short, this is his third year being a senior,” she said.

Encarnacion said the new education savings account program recognizes that children have different needs, and gives low and moderate-income families the means to make the best decisions for their situation.

“This is giving parents the freedom to be able to say, ‘We want to educate our child this way, because we know what our child needs,’ ” she said.

For Simran Singh, the new program solved her fears about violence in her son’s new middle school.

When Singh went to tour her fifth grader’s new school at the beginning of the year, she was concerned about the atmosphere. She saw students fighting and noticed many carrying around cellphones.

“I just didn’t get a good vibe,” she said.

Her 10-year-old son also complained about kids being “rough” at school.

So Singh decided she had to find a different option for her son and came across information about the education savings accounts during her research. She immediately applied and has moved her son to Mount Saint Mary Academy in Manchester.

Though she said she likely would have moved her son out of the public school regardless of whether she had state aid, the program was a welcome option for her family.

Disagreement on question of equity

Edelblut said the core mission of the Education Freedom Account program — through targeting families making less than 300% of the federal poverty level — is to address inequities and try to support students who are otherwise not succeeding in the traditional public school system.

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“If you look at our student performance, what you will find is that my economically disadvantaged students perform 15-20 percentage points lower than my average student population,” Edelblut said. “This is a program that is targeted to economically disadvantaged students.”

Though the income limit is an eligibility requirement for students when they first enroll, families can remain in the program if their income later increases. Officials have said this is to ensure educational stability for students.

“For over four decades, economically disadvantaged students, minority students, in our current education system have systematically been left behind, have been underperformers in that system,” Edelblut said. “And so we need to do something to the status quo to create opportunities for these students because we know that the current system is underserving the at-risk students.”

Opponents of the program say it drains money from public schools, which have fixed costs that do not go away with fewer students, especially when spread out over several grades. They also say that transportation and other supplementary costs will still prevent the poorest students from using the program.

Carl Ladd, the executive director of the New Hampshire School Administrators Association, does not believe the program addresses educational inequities.

“When you talk about equity, I think that as we decrease the amount of adequacy funding going to our neediest schools, and as the state continues to renege on its responsibilities to pay for an adequate education, the inequities are only going to grow,” Ladd said.

“What happens is, if you lose 10 or 20 students, at \$4,000 apiece, plus any of the additional aid you may receive for special education students or free and reduced or ESL, that is a good chunk of money for a small school district, who may not be able to cut any expenses if those 10-20 students are out over 12 grades,” he said. “They’re not going to be able to cut staff, they’re not going to be able to cut programs. They’re just going to be losing money.”

Opponents also say that the new program has no accountability system.

John Goldhardt, superintendent of Manchester School District, said public schools are held accountable through required assessments for their students, and school results are made public.

“We’re giving this money to individuals, and that’s the end of it,” Goldhardt said.

Ladd said the state is evading its responsibility by not having a system of accountability for students using the program.

“If we’re talking about the poorest of students, in the most at-risk school districts, perhaps what we ought to be doing is providing resources so that programs can be developed to meet their needs where they are. Rather than think that ... we’re going to take them out of the public school system, so we won’t really have that public record of what’s happening with them,” Ladd said.

“We’ll give them some money and we’ll shift them over into a private school that doesn’t have to report any achievement scores or what they’re doing with these kids, then all of a sudden we don’t have to worry about them anymore,” Ladd added. “We’ve abrogated our responsibility to educate this child. We’re just going to give him a check and we’re going to say, ‘Here, go figure it out on your own.’ ”

The Education Freedom Account program requires participants to provide a record of academic achievement, in the form of the statewide assessments, standardized test scores or a teacher evaluation of a student’s portfolio of work.

Additionally, opponents worry about the growing cost of the program, which has already far surpassed what officials originally projected in its first few months.

The program currently comes with a price tag of \$8.1 million, much higher than the \$130,000 figure that proponents had originally expected for the first year.

Edelblut’s office said the pandemic was likely a factor in the higher than expected participation rate. According to a statement from the Department of Education, the department’s original projection was based on first-year adoption rates for similar programs implemented in other states.

Much of the \$8.1 million is new spending for the state because most students in the program were never enrolled in a New Hampshire public school and were therefore not factored into the existing state adequacy funding. Of the 1,635 students who have enrolled in the program, only 17% left public schools this school year, presumably because of the program. An additional 13% left in 2020, during the first year of the pandemic.

Just under \$1 million will be an actual loss from public school budgets. Because of the delayed budget process, that loss would not hit districts until 2023, and would be buffered with a 50% phase-out grant. So schools would lose about \$477,000 in 2023 from this first phase of the ESA program.

The most affected district will be Manchester, which lost 27 students through the program and will see a decline of \$68,000 in 2023. When the phase-out grant ends by the third year, the loss will be about \$137,000.

But costs are expected to increase, given that the program is still in its infancy and the organization administering it has not started doing any marketing or outreach yet.

Of note, 44% of the participants — or 720 students — also receive education tax credit scholarships, essentially costing the state double. Nothing in the new law precludes those using the new education savings accounts from receiving an education tax credit scholarship funded by donors who then receive a tax credit for 85% of their donation. Last year, the tax credit scholarship program cost the state about \$2.5 million in lost tax revenue.

Demers said the tax credit scholarships could help lower-income families fill the gap on tuition or other expenses that are not completely covered using the education savings account program.

### Mixed evidence on voucher effectiveness

Evidence on the effectiveness of voucher programs is not conclusive.

A 2017 report by researchers at Stanford University suggested that vouchers have little overall effect on learning. The report, published by the Economic Policy Institute, a left-leaning think tank, summarizes the evidence on vouchers using studies on U.S. and international programs.

“Extensive research on educational vouchers in the United States over the past 25 years shows that gains in student achievement are at best small,” the report states.

Chalkbeat, nonprofit education news outlet, summarized academic research as of the late 2010s and found that their impact was mixed. The summary said recent studies suggested that vouchers reduce scores on state tests, especially in math.

Chalkbeat also found that studies showed vouchers had neutral or positive impacts on student outcomes later in life, like attending college or graduating high school.

Additionally, research suggests that vouchers lead to small improvements in public schools. According to a study published in the *Journal of Economic Literature* in 2017, “Evidence on both small-scale and large-scale programs suggests that competition induced by vouchers leads public schools to improve.”

The Cato Institute, a right-leaning think tank, points to a summary of the 17 existing voucher experiments in the U.S., which finds that 11 of those experiments find positive effects on test scores for some or all students.

Will the pendulum swing back?

McShane, the research director at EdChoice, said moving forward, the question is whether and how far the pendulum of public opinion on school choice will swing back after the pandemic.

“That’s the question — the degree to which people want to return to ‘normal’ and the degree to which the questions that the pandemic raised, the issues that it caused people to think about, whether those are going to linger after the pandemic,” he said.

The same Education Next Poll that found rising support for school choice from 2016 to 2019, showed declining support for school choice programs from 2019 to 2021. Support for

vouchers for low-income students dropped six percentage points from 2019 to 2021, while support for universal vouchers dropped 10 percentage points.

Researchers theorize this may be caused by a hunger for stability after the uncertainty of a pandemic.

McShane said: “I think a lot of that is going to hinge on, over the course of this school year, and when people actually have a chance to take a step back and try and evaluate: Were these options good? Did people like them? Would people want to continue them? How much are they going to cost? All of those very kind of practical concerns.”